

**DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**

700 North 10th Street, Room 258  
Sacramento, CA 95814-0338  
(916) 341-4200  
(916) 341-4203 (FAX)  
(916) 327-6318 (TDD)



April 12, 2005

To: Department of Energy (DOE) Weatherization Assistance Program (WAP)  
Providers

Subject: Department of Energy (DOE) Weatherization Program (WAP) Contract for  
Program Year 2005 - 2006

Enclosed is your 2005 - 2006 Department of Energy (DOE) Weatherization Program (WAP) contract, allocation spreadsheets, exhibits, and reporting forms. The contract term is April 1, 2005 through January 31, 2006.

The Department of Community Services and Development (CSD) distributed the total 2005 -2006 DOE WAP Allocation based on Three Factor Formula (TFF) as implemented in the 2003 -2004 Program Year.

As addressed in the draft DOE WAP cover letter issued March 15, 2005, the DOE contract incorporates many of the significant changes, which were implemented in the 2005 Low-Income Home Energy Assistance Program (LIHEAP) contract. The approved changes within the areas of Weatherization Measures and Rates, Travel and Training Reimbursement, Leveraging, Audits, and Weatherization Automation, will continue to serve as the foundation needed to streamline, unify, and evaluate the delivery and efficiency of our energy programs.

In addition, enclosed are the 2005 - 2006 DOE WAP close-out forms. Please note that close-out forms will no longer be mailed at the end of a contract term period. For your added convenience, the close-out forms will also become accessible for download through CSD's website at <http://www.csd.ca.gov> (under "Contractor's Only") at a future date.

We appreciate the quick turnaround time for the input received from those DOE Service Providers who submitted comments to the draft 2005 -2006 DOE WAP contract. If you have any questions, or require additional assistance with incorporating any of the 2005 -2006 DOE WAP changes, please contact your Field Representative.

Sincerely,

TIMOTHY M. DAYONOT  
Director

Attachment

**DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT  
2005 DEPARTMENT OF ENERGY  
WEATHERIZATION ASSISTANCE PROGRAM (DOE WAP)  
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**EXHIBIT A**  
**(Standard Agreement)**

**SCOPE OF WORK**

1. Contractor agrees to provide Department of Energy Weatherization Assistance Program (DOE WAP) assistance to eligible participants residing in the service area described in Exhibit A, Scope of Work, Section 2., pursuant to Title 42 of the United States Code (U.S.C.) 6861 et seq., as amended, and 10 Code of Federal Regulations (CFR), Part 440, as amended, the Department of Energy Weatherization Assistance Program for Low-Income Persons.

2. The services shall be performed in the following service area:

[PARC will insert Counties]

3. Send all correspondence and fiscal and programmatic reports to:

|               |  |
|---------------|--|
| State Agency: | Department of Community Services and Development |
| Section/Unit  | Field Operations                                 |
| Address:      | 700 North 10th Street, Room 258                  |
|               | Sacramento, CA 95814                             |
| Phone:        | (916) 341-4200                                   |
| Fax:          | (916) 327-3153                                   |

**Exhibit A, Attachment I**  
**ZIP CODE CROSS-REFERENCE**  
**January 2005**

| <b>COMMUNITY ENHANCEMENT<br/>SERVICES</b> |       |       |       |       |       |  | <b>MARAVILLA FOUNDATION</b> |       |       |       |       |
|---|-------|-------|-------|-------|-------|--|-----------------------------|-------|-------|-------|-------|
| 90024                                     | 90263 | 91203 | 91334 | 91402 | 91608 |  | 90004                       | 91006 | 91110 | 91510 | 93585 |
| 90025                                     | 90264 | 91204 | 91335 | 91403 | 91609 |  | 90005                       | 91007 | 91114 | 91754 | 93586 |
| 90027                                     | 90265 | 91205 | 91337 | 91404 | 91610 |  | 90010                       | 91009 | 91115 | 91755 | 93590 |
| 90028                                     | 90272 | 91206 | 91340 | 91405 | 91614 |  | 90016                       | 91010 | 91116 | 91775 | 93591 |
| 90029                                     | 90290 | 91207 | 91341 | 91406 | 91615 |  | 90018                       | 91011 | 91117 | 91776 |       |
| 90036                                     | 90291 | 91208 | 91342 | 91407 | 91616 |  | 90019                       | 91012 | 91118 | 91778 |       |
| 90038                                     | 90292 | 91209 | 91343 | 91408 | 91617 |  | 90020                       | 91016 | 91214 | 91801 |       |
| 90039                                     | 90293 | 91210 | 91344 | 91409 |       |  | 90022                       | 91017 | 91221 | 91802 |       |
| 90046                                     | 90294 | 91301 | 91345 | 91410 |       |  | 90023                       | 91020 | 91222 | 91803 |       |
| 90048                                     | 90295 | 91302 | 91346 | 91411 |       |  | 90026                       | 91021 | 91224 | 91804 |       |
| 90049                                     | 90296 | 91303 | 91352 | 91412 |       |  | 90031                       | 91023 | 91225 | 91841 |       |
| 90056                                     | 90401 | 91304 | 91353 | 91413 |       |  | 90032                       | 91024 | 91226 | 91896 |       |
| 90064                                     | 90402 | 91305 | 91356 | 91416 |       |  | 90033                       | 91025 | 91310 | 91899 |       |
| 90066                                     | 90403 | 91306 | 91357 | 91423 |       |  | 90034                       | 91030 | 91321 | 93243 |       |
| 90067                                     | 90404 | 91307 | 91361 | 91426 |       |  | 90035                       | 91031 | 91322 | 93510 |       |
| 90068                                     | 90405 | 91308 | 91362 | 91436 |       |  | 90040                       | 91046 | 91350 | 93532 |       |
| 90069                                     | 90406 | 91309 | 91364 | 91501 |       |  | 90041                       | 91066 | 91351 | 93534 |       |
| 90077                                     | 90407 | 91311 | 91365 | 91502 |       |  | 90042                       | 91076 | 91354 | 93535 |       |
| * 90094                                   | 90408 | 91312 | 91366 | 91503 |       |  | 90058                       | 91077 | 91355 | 93536 |       |
| 90209                                     | 90409 | 91313 | 91367 | 91504 |       |  | 90063                       | 91101 | 91380 | 93539 |       |
| 90210                                     | 90410 | 91316 | 91372 | 91505 |       |  | 90065                       | 91102 | 91381 | 93543 |       |
| 90211                                     | 90411 | 91324 | 91376 | 91506 |       |  | 90201                       | 91103 | 91382 | 93544 |       |
| 90212                                     | 91040 | 91325 | 91392 | 91521 |       |  | 90202                       | 91104 | 91383 | 93550 |       |
| 90213                                     | 91041 | 91326 | 91393 | 91522 |       |  | 90270                       | 91105 | 91384 | 93551 |       |
| * 90230                                   | 91042 | 91327 | 91394 | 91523 |       |  | 90640                       | 91106 | 91385 | 93552 |       |
| 90231                                     | 91043 | 91328 | 91395 | 91605 |       |  | 91001                       | 91107 | 91386 | 93553 |       |
| 90232                                     | 91201 | 91331 | 91396 | 91606 |       |  | 91002                       | 91108 | 91507 | 93563 |       |
| 90233                                     | 91202 | 91333 | 91401 | 91607 |       |  | 91003                       | 91109 | 91508 | 93584 |       |

CHANGES:     \* ZIP Code added

**Exhibit A, Attachment I**  
**ZIP CODE CROSS-REFERENCE**  
**January 2005**

| <b>Pacific Asian Consortium in Employment</b> |         |       |  | <b>Veterans in Community Services, Inc.</b> |         |       |       |       | <b>** Los Angeles County ZIP Codes Serviced by the Orange County CAA</b> |
|---|---------|-------|--|---|---------|-------|-------|-------|--|
| 90001   | 90060   | 90307 |  | 90239                                       | 90670   | 90807 | 91722 | 91792 | 90631  |
| 90002   | 90061   | 90308 |  | 90240                                       | 90671   | 90808 | 91723 | 91793 | 90632  |
| 90003   | 90062   | 90309 |  | 90241                                       | 90701   | 90809 | 91724 |       | 90633  |
| 90006   | * 90071 | 90310 |  | 90242                                       | 90702   | 90810 | 91731 |       |  |
| 90007   | 90220   | 90311 |  | 90255                                       | 90703   | 90813 | 91732 |       |  |
| 90008   | 90221   | 90312 |  | 90262                                       | 90704   | 90814 | 91733 |       |  |
| 90009   | 90222   | 90501 |  | 90274                                       | 90706   | 90815 | 91734 |       |  |
| 90011   | 90223   | 90502 |  | 90275                                       | 90707   | 90822 | 91740 |       |  |
| 90012   | 90224   | 90503 |  | 90280                                       | 90710   | 90823 | 91741 |       |  |
| 90013   | 90245   | 90504 |  | 90601                                       | 90711   | 90831 | 91744 |       |  |
| 90014   | 90247   | 90505 |  | 90602                                       | 90712   | 90832 | 91745 |       |  |
| 90015   | 90248   | 90506 |  | 90603                                       | 90713   | 90833 | 91746 |       |  |
| 90017   | 90249   | 90507 |  | 90604                                       | 90714   | 90834 | 91747 |       |  |
| 90021   | 90250   | 90508 |  | 90605                                       | 90715   | 90835 | 91748 |       |  |
| 90030   | 90251   | 90509 |  | 90606                                       | 90716   | 90840 | 91749 |       |  |
| 90037   | 90254   | 90510 |  | 90607                                       | 90717   | 90842 | 91750 |       |  |
| 90043   | 90260   | 90723 |  | 90608                                       | 90731   | 90844 | 91765 |       |  |
| 90044   | 90261   | 90745 |  | 90609                                       | 90732   | 90845 | 91766 |       |  |
| 90045   | 90266   | 90746 |  | 90610                                       | 90733   | 90846 | 91767 |       |  |
| 90047   | 90267   | 90747 |  | 90631                                       | 90734   | 90847 | 91768 |       |  |
| 90050   | 90277   | 90749 |  | 90637                                       | 90744   | 90848 | 91769 |       |  |
| 90051   | 90278   |       |  | 90638                                       | 90748   | 90853 | 91770 |       |  |
| 90052   | 90301   |       |  | 90650                                       | 90801   | 91702 | 91773 |       |  |
| 90053   | 90302   |       |  | 90651                                       | 90802   | 91706 | 91780 |       |  |
| 90054   | 90303   |       |  | 90652                                       | 90803   | 91711 | 91788 |       |  |
| 90055   | 90304   |       |  | 90660                                       | * 90804 | 91714 | 91789 |       |  |
| 90057   | 90305   |       |  | 90661                                       | 90805   | 91715 | 91790 |       |  |
| 90059   | 90306   |       |  | 90662                                       | 90806   | 91716 | 91791 |       |  |

CHANGES: \* ZIP Code added

\*\* Orange County residents are serviced by Community Action Partnership of Orange County. All other residents are referred to the appropriate local service provider.

**Exhibit A, Attachment I**  
**ZIP CODE CROSS-REFERENCE**  
**January 2005**

| <b>San Diego- Area B</b>                    |       |  | <b>San Diego-Imperial Service Area- Area A</b> |       |
|---|-------|--|--|-------|
| <b>Metropolitan Area Advisory Committee</b> |       |  | <b>Campesinos Unidos, Inc.</b>                 |       |
| 91901                                       | 92113 |  | 91941  | 92101 |
| 91902                                       | 92114 |  | 91942  | 92102 |
| 91905                                       | 92135 |  | 91945  | 92103 |
| 91906                                       | 92139 |  | 92003  | 92104 |
| 91910                                       | 92154 |  | 92004  | 92105 |
| 91911                                       | 92173 |  | 92007  | 92106 |
| 91913                                       |       |  | 92008  | 92107 |
| 91915                                       |       |  | 92024  | 92108 |
| 91916                                       |       |  | 92025  | 92109 |
| 91931                                       |       |  | 92026  | 92110 |
| 91932                                       |       |  | 92027  | 92111 |
| 91934                                       |       |  | 92028  | 92112 |
| 91935                                       |       |  | 92036  | 92115 |
| 91947                                       |       |  | 92037  | 92116 |
| 91948                                       |       |  | 92054  | 92117 |
| 91950                                       |       |  | 92055  | 92118 |
| 91963                                       |       |  | 92056  | 92119 |
| 91977                                       |       |  | 92059  | 92120 |
| 91978                                       |       |  | 92060  | 92121 |
| 91980                                       |       |  | 92061  | 92122 |
| 92009                                       |       |  | 92064  | 92123 |
| 92014                                       |       |  | 92065  | 92124 |
| 92019                                       |       |  | 92067  | 92126 |
| 92020                                       |       |  | 92068  | 92127 |
| 92021                                       |       |  | 92069  | 92128 |
| 92022                                       |       |  | 92070  | 92129 |
| 92040                                       |       |  | 92075  | 92130 |
| 92053                                       |       |  | 92082  | 92131 |
| 92066                                       |       |  | 92083  | 92133 |
| 92071                                       |       |  | 92084  | 92137 |
| 92079                                       |       |  | 92086  | 92145 |



**EXHIBIT B**  
**(Standard Agreement)**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

1. Consideration

The total amount budgeted for Administrative Costs shall not exceed the limits as described in Exhibit B, Section 3.B. Adherence to Exhibit E, Section 4., Contractor Assurances and Certifications, is required and is not altered by the provisions of the Section. Expenditures in excess of the budget total shall not be reimbursed by the State.

2. Programmatic Provisions

A. Payments

1) Advance Payments

- a. Upon written request by Contractor, the State may issue an advance payment to Contractor in an amount not to exceed 25 percent of the total amount of this Agreement, as set forth in Exhibit B, Section 1.A. Contractor shall submit an advance payment request on agency letterhead or on the Department of Community Services and Development (CSD) DOE reporting forms.
- b. In the event this Agreement is amended to increase the consideration of this Agreement, a subsequent advance payment plus any previous advances already allowed shall not exceed 25 percent of the total consideration of this Agreement. Subsequent advance payments may be authorized by the State if Contractor requests such an advance payment on agency letterhead or on the CSD DOE reporting forms. The need for such additional advance payment shall be based upon a review of Contractor's cash flow status as recorded on Contractor's current monthly expenditure report(s).
- c. CSD will initiate repayment of advance payments outstanding after the close of the second quarter of the contract term, or whenever the unexpended contract balance reaches 40% of the total consideration, whichever comes first. The State shall begin applying approved expenditures to the outstanding advance balance, thereby offsetting any subsequent reimbursements. The State shall determine amounts to be offset by applying the balance of the advance equally into the remaining expenditure reporting periods. An exception may occur if the expenditure reports submitted are less than the applied settlement formula (as described immediately above). In that case, the State shall apply

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the entire reimbursement amounts against the outstanding advance balance.

2) Subsequent Payments

- a. Subsequent payments to Contractor shall be contingent upon receipt by the State of the DOE Monthly Expenditure Report, the DOE Monthly Weatherization Activity Report, and the DOE Monthly Activity Report, as required under Exhibit B, Section 2.B. of this Agreement. If Contractor owes CSD any outstanding balances for overpayment of any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.
- b. Contractor shall be entitled to obtain a maximum average reimbursement of \$2,744 per dwelling unit weatherized and for applying the energy conservation measures and activities as described in Exhibit B, Budget Detail and Payment Provisions, Attachment I, Payment Guidelines for Weatherization Activities. In the event the Governor declares a State of Emergency or Local Emergency under Article 13 or 14 of the Emergency Services Act, the maximum reimbursement shall be \$3,156 per dwelling unit. For eligible contractors in the affected service areas, CSD may implement Exhibit F, Attachment I – CSD Disaster Relief Plan.
- c. The State of Emergency or Local Emergency includes a weather event relating to cold or hot weather, flood, earthquake, tornado, hurricane, ice storm/freeze; or an event meeting such other criteria as the Governor and/or the President, at their discretion, and/or their designee may determine to be appropriate.

B. Reporting

1) Monthly Reports

- a. Contractor shall ensure that monthly expenditure and activity reports consisting of the DOE Monthly Expenditure Report, CSD 571, the DOE Monthly Activity Report, CSD 571A, and the DOE Monthly Weatherization Activity Report, CSD 571B, are submitted with an original signature and received by the State on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditure in the preceding period. The issuance of other CSD contracts, including reimbursement payments to the Contractor, shall be contingent upon timely receipt of the required reports of this Agreement.

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**(Standard Agreement)**

- b. Due dates for monthly reports to CSD are as follows:

| <u>Report Period</u> | <u>Due Date</u>    |
|----------------------|--------------------|
| April 2005           | May 15, 2005       |
| May 2005             | June 15, 2005      |
| June 2005            | July 15, 2005      |
| July 2005            | August 15, 2005    |
| August 2005          | September 15, 2005 |
| September 2005       | October 15, 2005   |
| October 2005         | November 15, 2005  |
| November 2005        | December 15, 2005  |
| December 2005        | January 15, 2006   |
| January 2006         | February 15, 2006  |

2) Annual Reports

a. Training and Technical Assistance

Contractor shall submit information regarding training and technical assistance as well as group client education activities on an annual basis on the DOE Annual Training and Technical Assistance Report, CSD 524, to the State on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditures. The report shall cover the contract period of April 1, 2005 through January 31, 2006 and is due February 15, 2006.

b. Leveraging

Contractor shall submit information regarding leveraging activities on an annual basis on the DOE Annual Leveraging Report, CSD 523, to the State on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditures. The report shall cover the contract period of April 1, 2005 through January 31, 2006 and is due February 15, 2006.

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3) Close-out Report

Contractor shall submit, on the appropriate CSD forms, a financial and programmatic close-out report and return all unexpended funds to the State within 90 calendar days after expiration of this Agreement. Final reimbursement to Contractor, if owed, shall be contingent upon receipt of this close-out by the State. Administrative, health and safety, and training and technical assistance costs shall not exceed the maximum allowable amounts. Any costs exceeding these limits shall be disallowed. Subsequent payments for other CSD contracts shall also be contingent upon timely receipt of the close-out of this Agreement. The issuance of other CSD contracts, including reimbursement to the Contractor, shall be contingent upon timely receipt of the close-out of this Agreement.

4) Review

- a. The State shall review Contractor's monthly program operation reports and evaluate Contractor's demonstrated ability to effectively utilize all funds available under this Agreement.
- b. An amendment to the total consideration of this Agreement may occur as a result of the State's review of Contractor's performance related to program and fiscal operations.

3. Budget Definitions

A. Cost Reporting

All costs shall be reported using a "modified accrual" or "accrual" method of accounting.

B. Administrative Costs

- 1) Administrative Costs shall be limited to a maximum of five percent (5%) of the cumulative allowable program expenditures. Contractors funded at less than \$350,000 may request an additional five percent (5%) by submitting the DOE Application for Additional Administrative Funds, CSD 574 (Rev. 3/98). Allowable program expenditures shall include costs for auxiliary functions such as accounting, auditing, monitoring assistance, facilities, utility costs, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program.

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- 2) Local governments shall use OMB Circular A-87 (Cost Principles for State and Local Governments) as a guide for determining administrative costs.
- 3) Private, nonprofit corporations shall use OMB Circular A-122 (Cost Principles for Nonprofit Organizations) as a guide for determining administrative costs.

**C. Leveraging**

- 1) Leveraging funds charged to the DOE Weatherization Program shall be used for efforts in the acquirement of additional non-Federal funds for supplementing the weatherization program, for expanding energy efficiency services and/or increasing the number of dwelling units completed for weatherization eligible clients.
- 2) All leveraging expenditures shall be reimbursed at actual costs and actual labor hours and shall be substantiated. Funds shall be judiciously spent and shall result in the acquirement of non-Federal funds equal to or exceeding the funds charged to the DOE Weatherization Program for leveraging.
- 3) If the non-Federal monies appropriated using DOE leveraging funds are used for the installation of weatherization measures, the measures shall be provided consistent with the DOE Weatherization Program guidelines, CSD Conventional Home and Mobile Home Weatherization Installation Standards (WIS) and CSD LIWAP Policies and Procedures.
- 4) The use of the leveraging funds charged to the DOE Weatherization Program and the non-Federal funds that were acquired through the leveraging efforts shall be quantified and reported on the DOE Annual Leveraging Report (CSD 523 Rev. 04/05).

**D. Payment Guidelines**

- 1) Reimbursement to Contractor shall be the Contractor's actual expenditures of all activities and energy conservation measures completed and reported pursuant to this Agreement, provided that Contractor does not request reimbursement or credit for the same activity or measure from any other funding source. Contractor may claim reimbursement not to exceed a maximum average reimbursement of \$2,744 per dwelling only for allowable measures and activities performed under this Agreement.
- 2) Program Costs include actual costs for labor, materials, and program support that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by the State, for the

**EXHIBIT B**  
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purpose of delivering services. Allowable costs shall be as set forth in Title 10, Code of Federal Regulations, Section 440.18(c).

- 3) Permit and disposal fees are acceptable expenses and may be charged only once to LIHEAP Weatherization, or DOE Weatherization, per appliance or weatherization measure, per weatherized dwelling. Permit and disposal fee reimbursement includes crew member and other personnel staff time and will be reimbursed based on the actual cost of the fee and actual labor cost.

**E. Mileage**

Contractor shall be credited one round trip travel surcharge for any one dwelling weatherized. Contractor may claim mileage reimbursement for travel to Single Family Dwelling (SFD) and Multi-Unit Dwelling (MUD) Units in which travel exceeds a distance of 30 miles (one way) distance from Contractor's material storage site or headquarters. Contractor shall maintain records and source documentation in such a manner to substantiate mileage claims by individual dwelling weatherized. The following defines the conditions for mileage reimbursement applicable to dwellings weatherized:

- 1) Single Family Dwelling (SFD) Unit - SFD Unit is defined as a one-unit, single-family dwelling or as a one-unit, single residential housing dwelling with two to four attached units.
  - a. Contractor may claim a travel surcharge equivalent to one (1) labor hour at the LIHEAP Approved Labor Rate for each completed, weatherized SFD Unit within 30 miles (one way) of the Contractor's material storage site or headquarters. Contractor may only claim the SFD travel surcharge upon completion of the SFD Unit and is limited to a single surcharge per completed SFD Unit.
  - b. For SFD Units in excess of 30 miles (one way) from Contractors material storage or headquarters, Contractor may claim mileage in addition to the SFD travel surcharge for each completed, weatherized SFD Unit. Contractor may claim mileage at a rate of \$.66 per mile for each mile in excess of 30 miles (one way) or 60 miles round-trip. Mileage reimbursement is limited to a single round trip, per completed SFD Unit; and Contractor may only claim the travel surcharge and mileage reimbursement upon the completion of the SFD Unit.
- 2) Multi-Unit Dwelling (MUD) Unit is defined as a residential complex with five or more units.

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- a. Contractor may claim a MUD travel surcharge of \$3.00 for each individual, weatherized unit within a MUD complex located within 30 miles (one way) of the Contractor's material storage site or headquarters. Contractor may only claim the MUD travel surcharge upon completion of the individual MUD Unit and is limited to a single surcharge per completed unit.
- b. For MUD Units in excess of 30 miles (one way) from Contractors material storage or headquarters, Contractors may claim mileage in addition to the MUD travel surcharge. Contractor may claim mileage at a rate of \$.66 per mile for each mile in excess of 30 miles (one way) or 60 miles round trip. Mileage reimbursement is limited to a single round-trip per day, for travel to a MUD complex in excess of 30-miles (one way) or 60 miles round trip, regardless of the number of individual completed units. Contractor may claim the MUD travel surcharge and mileage upon completion of each individual MUD Unit.
- c. All other travel-related expenses not directly related to the weatherization of dwellings are subject to reimbursement as described in Exhibit D, Special Terms and Conditions, Section 1, Travel and Per Diem.

**F. Training and Technical Assistance Costs**

- 1) Weatherization training and technical assistance shall be considered a program activity and shall include those costs that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by the State for the purpose of delivering services.
- 2) Training and Technical Assistance costs shall include expenditures resulting from internal Contractor training, safety training, attendance of weatherization-related training and/or workshops sponsored by utility companies, DOE, CSD, and/or other organizations offering a component of weatherization training such as: Lead-Safe Weatherization Training, Environmental Hazardous Training, Basic Weatherization Training, Blower Door Diagnostic Training, and Combustion Appliance Safety Training.
- 3) Associated costs may include costs related to: travel, admission, materials, and actual salaries/wages. On-the-job training is not reimbursable when the labor hours associated with the training are charged to a weatherization measure for reimbursement. Contractor shall comply with the Weatherization training requirements as described

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Exhibit F, Additional Provisions, Section 14. Training Activities – Weatherization, item A.

- 4) Weatherization travel and per diem costs related to the participation and attendance to policy advisory committees and work groups will be reimbursed as an administrative cost in accordance with Exhibit B, Budget Detail and Payment Provisions, Section 4, Budget Definitions.

4. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

5. Schedule of Attachments

The following attachment to this exhibit is hereby incorporated by this reference:

|               |   |
|---------------|---|
| Attachment I  | Payment Guidelines for Weatherization Activities        |
| Attachment II | DOE Weatherization Program Budget, CSD 570 (Rev. 03/05) |



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**ATTACHMENT I: PAYMENT GUIDELINES FOR WEATHERIZATION ACTIVITIES**

1. Contractor shall not utilize DOE WAP funds to offset costs that exceed those measures that have an established maximum reimbursement rate under the LIHEAP weatherization program. Expenditures charged to DOE-WAP must be in direct association with DOE WAP services.
2. All feasible Assessments, Health and Safety Measures, Infiltration Reduction, General Heat Waste Measures, and the Priority List of Energy Conservation Measures must be installed before any Optional Allowable Measures are provided as per the Energy Audit. Contractor shall not exclude or skip any measures from the Priority Lists of Energy Conservation Measures unless conditions exists, as noted in Exhibit F, Section D. Scope of Services, 9) Installation Guidelines.
3. Reimbursement for dwelling assessment activities shall be made for dwelling units weatherized under the terms of this Agreement. Should the safety check of combustion appliances reveal hazards or other unsafe conditions requiring repair that preclude envelope-tightening measures and cannot be eliminated, Contractor shall be allowed to claim reimbursement for outreach, performed assessment/diagnostic activities, and for the installation of measures identified by the footnotes listed at the end of this section.
4. In the case of an unweatherized dwelling where the installation of measures was not feasible and/or the dwelling was not accessible to install measures, Contractor may claim reimbursement for any related assessments and/or diagnostic checks that were performed.
5. Any measure with a chargeable line item shall not be billable to Minor Envelope Repairs or any other line item.
6. When the cost for installing a measure is deemed too costly, the measure may be deferred, at the Contractor's option, due to the excessive costs.
7. Health or Safety Hazard Repair or Replacement, per dwelling: (Indicate on the Energy Dwelling Unit Assessment, CSD 444, or Contractor's equivalent, what health or safety conditions are to be addressed.) Includes the repair of unsafe conditions identified as "Required Repairs" in the CSD Weatherization Installation Standards (WIS) and Combustion Appliance Safety Inspection Form (CASIF).

**LABOR COST REIMBURSEMENT:**

8. Contractor must be able to substantiate all actual labor hours and labor costs charged. This is applicable to all labor costs charged to the program. The LIHEAP Approved Labor Rate cannot be used for any labor costs with exception of the single-family travel credit.
9. All labor costs shall be based upon actual wages and actual labor hours that can be

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directly attributable to DOE program activities. Per hour labor costs shall include actual hourly wage, benefits and a factor for downtime. Contractor shall bill the number of actual labor hours and costs associated with the installation of measures, assessments, and diagnostics by crew members and other personnel who spend time at the job site.

10. Contractor shall bill the actual labor costs of crew members and other personnel associated with the direct facilitation of the disposal of appliances and the procurement of permits under Other Weatherization Costs.
11. Contractor shall bill the actual labor costs for all personnel where their time cannot be charged to the installation of a measure, assessments, diagnostics, procurement of permits, disposal of appliances, administration or travel under Other Labor Costs.
12. Workers' compensation is not to be included in any actual labor costs. Contractor shall bill workers' compensation associated with salaries and wages charged to administration under administrative costs. Contractor shall bill all other workers' compensation under Program Costs.
13. When the installation of a measure is subcontracted and there are billable labor costs for weatherization crew members and other personnel who share in the installation of that subcontracted measure, Contractor shall bill, in addition to the subcontracted expenditure, the actual labor costs incurred by crew members and other personnel.
14. All overhead costs shall be charged to the appropriate monthly expenditure reporting line items.

**TRAVEL COST REIMBURSEMENT:**

15. Travel time to and from job sites shall be reimbursed under Single Family and Multi-Family Dwelling Travel Credits and mileage reimbursement as allowed in Exhibit B Section 3. E.
16. Travel for training purposes shall be reimbursed under Training in Other Program Costs at actual costs.
17. Travel time related to administrative staff shall be reimbursable under Administrative Costs at actual costs.
18. Travel time related to other program-related shall be reimbursable under Travel in Other Program Costs at actual costs. All reimbursable travel costs and mileage must be substantiated.

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| <b>MANDATORY HEALTH AND SAFETY MEASURES</b>                                      | <b>FOOTNOTES</b> |
|--|------------------|
| Carbon Monoxide Alarm  |                  |
| Line-cord or Hard-wired, one or more   | 4                |
| Lithium Battery, one or more   | 4                |
| (Must be installed if there are operating carbon monoxide-producing appliances.) |                  |
| Gas Cooking Appliance  |                  |
| Repair and Maintenance   | 5, 6, 7          |
| Replacement, Range or Cook Top   | 5, 6, 7          |
| Gas Water Heater   |                  |
| Repair   | 5, 6, 7          |
| Replacement, Closed Combustion   | 5, 6, 7          |
| Replacement, Open Combustion   | 5, 6, 7          |
| Heating Source Repair  |                  |
| Exterior Wall Direct Vent Furnace  | 5, 6, 7, 8       |
| Forced Air Unit (FAU)  | 5, 6, 7, 8       |
| Floor Furnace  | 5, 6, 7, 8       |
| Interior Wall Furnace  | 5, 6, 7, 8       |
| Mobile Home Furnace  | 5, 6, 7, 8       |
| Other Types Not Listed   | 5, 6, 7, 8, 9    |
| Package Unit   | 5, 6, 7, 8       |
| Wood Fueled Appliance  | 5, 6, 7, 8, 10   |
| Heating Source Replacement   |                  |
| Exterior Wall Direct Vent Furnace  | 5, 6, 7          |
| Forced Air Unit (FAU)  | 5, 6, 7          |
| Floor Furnace  | 5, 6, 7          |
| Interior Wall Furnace  | 5, 6, 7          |
| Mobile Home Furnace  | 5, 6, 7          |
| Other Types Not Listed   | 5, 6, 7, 9       |
| Package Unit   | 5, 6, 7          |
| Wood-Fueled Appliance  | 5, 6, 7, 10, 11  |
| Lead-Safe Weatherization   | NA               |

| <b>ASSESSMENTS/DIAGNOSTICS</b>                     | <b>FOOTNOTES</b> |
|--|------------------|
| Unit Assessments                                   |                  |
| Units with attics, and/or without attics           | 1                |
| Combustion Appliance Safety Test (when applicable) | NA               |
| Pre-Test, and/or Post-Test                         |                  |

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|   |    |
|---|----|
| Blower Door Test (Mandatory when applicable)  | 2  |
| Duct Leakage Test (When applicable with Blower Door)<br>Pre-Test, and/or Post-Test  | NA |
| Duct Leakage Test (When applicable with Duct Blaster)<br>Pre-Test, and/or Post-Test | 3  |

|  |
|--|
| <b>MANDATORY INFILTRATION REDUCTION MEASURES FOOTNOTES</b> |
|--|

|  |                |
|--|----------------|
| Caulking, per dwelling                             |                |
| Mobile Home  | 13,14          |
| Multi Unit   | 13,14          |
| Single Family                                      | 13,14          |
| Cover Plate Gaskets, per dwelling                  | 13,14          |
| Duct and Register Repair/Replacement, per dwelling | 14             |
| Glass Replacement, per dwelling                    | 14             |
| Minor Envelope Repair, per dwelling                | 10, 13, 14, 15 |
| Sliding Glass Door, per dwelling                   |                |
| Repair, or Replacement                             | 14             |
| Weatherstripping, Hinged Exterior Door, per door   | 13, 14         |
| Weatherstripping, Other, per linear foot           | 13, 14, 16     |
| Window Replacement                                 | 14             |

|  |                  |
|--|------------------|
| <b>MANDATORY GENERAL HEAT WASTE MEASURES</b> | <b>FOOTNOTES</b> |
|--|------------------|

|  |    |
|--|----|
| Evaporative Cooler/Air Conditioner Vent Cover, per cover | 13 |
| Hot Water Flow Restrictor, per device                    |    |
| Faucet Restrictor  | 4  |
| Hand-Held Low-Flow Showerhead                            | 4  |
| Low-Flow Showerhead                                      | 4  |
| Water Heater Blanket, per blanket                        | 4  |
| Water Heater Pipe Wrap, per linear foot of pipe          | 4  |

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|--|
| <b>MANDATORY PRIORITY ENERGY CONSERVATION MEASURES</b> |
|--|

**PRIORITY LIST OF ENERGY CONSERVATION MEASURES - ZONE 4 only**

|                                      |       |
|--------------------------------------|-------|
| Floor Insulation                     |       |
| Over +36 Clearance, per square foot  | 4, 20 |
| Under –36 Clearance, per square foot | 4, 20 |

**PRIORITY LIST OF ENERGY CONSERVATION MEASURES - ZONE 5 only**

|   |             |
|---|-------------|
| EBL – Evaporative Cooler Installation, per dwelling |             |
| New Roof Unit                                       | 4, 6, 7, 19 |
| New Wall Unit                                       | 4, 6, 7, 19 |
| New Window Unit                                     | 4, 6, 7, 19 |
| Replace Roof Unit                                   | 4, 6, 7, 19 |
| Replace Wall Unit                                   | 4, 6, 7, 19 |
| Replace Window Unit                                 | 4, 6, 7, 19 |

|   |         |
|---|---------|
| EBL – Evaporative Cooler Repair and Maintenance, per dwelling |         |
|   | 4, 6, 8 |

|                                |    |
|--------------------------------|----|
| Storm Windows, per square foot |    |
| Fixed, Glass Glazing           | 13 |
| Fixed, Polycarbonate           | 13 |
| Operable, Glass Glazing        | 13 |
| Operable, Polycarbonate        | 13 |

**PRIORITY LIST OF ENERGY CONSERVATION MEASURES - ZONE 4 + 5**

|   |       |
|---|-------|
| Attic Venting,                              | 4, 12 |
| In conjunction with ceiling insulation only |       |

|                       |   |
|-----------------------|---|
| Ceiling Insulation    |   |
| R-11, per square foot | 4 |
| R-19, per square foot | 4 |
| R-30, per square foot | 4 |
| R-38, per square foot | 4 |

|                       |   |
|-----------------------|---|
| Kneewall Insulation   |   |
| R-11, per square foot | 4 |
| R-19, per square foot | 4 |

|                          |       |
|--------------------------|-------|
| Thermostat, per dwelling |       |
| Programmable             | 4, 21 |

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| MANDATORY ELECTRIC BASE LOAD MEASURES                        | FOOTNOTES |
|--|-----------|
| Compact Fluorescent Lamps                                    |           |
| Hard-Wired, limit one per dwelling                           | 4         |
| Thread-based Compact, limit five per dwelling                | 4         |
| Electric Water Heater, per dwelling                          |           |
| Repair   | 4, 7      |
| Replacement  | 4, 7      |
| Refrigerator Replacement                                     | 4, 17     |
| <b>OPTIONAL MEASURES - AS PER ENERGY AUDIT- PER DWELLING</b> |           |

*Must have a savings-to-investment ratio of 1 or more in addition to the above mentioned measures for all or other climate zones.*

|  |                           |
|--|---------------------------|
| NEAT Energy Audit  | NA                        |
| Attic Ventilation, (Excludes Zones 4 + 4)                | 4, 12                     |
| In conjunction with ceiling insulation only              |                           |
| Ceiling Insulation (Excludes Zones 4 + 4)                | 4                         |
| R-11, per square foot                                    | 4                         |
| R-19, per square foot                                    | 4                         |
| R-30, per square foot                                    | 4                         |
| R-38, per square foot                                    | 4                         |
| Duct Insulation, per square foot                         | 4                         |
| EBL- Air Conditioning Repair and Maintenance             |                           |
| Central Unit   | 4, 5, 6, 7, 8, 10, 17, 18 |
| Wall/Window Unit   | 4, 5, 6, 7, 8, 10, 17, 18 |
| EBL- Air Conditioning Replacement, per dwelling          |                           |
| Central Unit   | 4, 6, 7, 19               |
| Multi-Story Wall Unit                                    | 4, 7, 19                  |
| Multi-Story Window Unit                                  | 4, 7, 19                  |
| Single-Story Wall Unit                                   | 4, 7, 19                  |
| Single-Story Window Unit                                 | 4, 7, 19                  |
| EBL - Cooling Source Repair, Other Types Not Listed      | 4, 5, 8                   |
| EBL - Cooling Source Replacement, Other Types Not Listed | 4, 5                      |

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|--|
| <b>OPTIONAL MEASURES - AS PER ENERGY AUDIT- PER DWELLING - continued</b> |
|--|

|   |             |
|---|-------------|
| EBL- Evaporative Cooler Installation, per dwelling    |             |
| New Roof Unit   | 4, 6, 7, 19 |
| New Wall Unit   | 4, 6, 7, 19 |
| New Window Unit                                       | 4, 6, 7, 19 |
| Replace Roof Unit                                     | 4, 6, 7, 19 |
| Replace Wall Unit                                     | 4, 6, 7, 19 |
| Replace Window Unit                                   | 4, 6, 7, 19 |
| <br>EBL- Evaporative Cooler Repair and Maintenance    | <br>4, 6, 8 |
| <br>Electric Water Heater Timer, per timer            | <br>4       |
| <br>Floor Foundation Venting (Crawl Space Venting)    | <br>4, 12   |
| <br>Floor Insulation                                  |             |
| Over 36" Clearance, per square foot                   | 4, 20       |
| Under 36" Clearance, per square foot                  | 4, 20       |
| <br>Kneewall Insulation (Excludes Zones 4 + 4)        |             |
| R-11, per square foot                                 | 4           |
| R-19, per square foot                                 | 4           |
| <br>Refrigerator Replacement                          | <br>4, 17   |
| <br>Shadescreens, per square foot                     | <br>4       |
| <br>Shutters, per square foot                         | <br>4       |
| <br>Storm Windows, per square foot                    |             |
| Fixed, Glass Glazing                                  | 13          |
| Fixed, Polycarbonate                                  | 13          |
| Operable, Glass Glazing                               | 13          |
| Operable, Polycarbonate                               | 13          |
| <br>Thermostat, per dwelling (Excludes Zones 4 + 4)   |             |
| Manual  | 4, 21       |
| Programmable  | 4, 21       |
| <br>Tinted Window Film, per square foot               | <br>4       |
| <br>Wall Insulation, Stucco and Wood, per square foot | <br>4       |

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|                          |
|--------------------------|
| <b>FOOTNOTES SECTION</b> |
|--------------------------|

- 1 Unit assessments are charged for each completed unit in addition to applicable blower and/or duct testing.
- 2 Following a determination that no combustion by-product hazards exist, pre-weatherization blower door testing is a mandatory activity on all mobile homes, manufactured homes, and all site-built dwellings with operable forced air units.
- 3 A duct leakage test using the Duct Blaster is a stand-alone test and cannot be charged in conjunction with the Blower Door Test.
- 4 If a combustion appliance safety hazard or other unsafe conditions requiring repair is found to exist and cannot be repaired under the scope of the program, Contractor may apply the non-envelope sealing measures identified by this note.
- 5 May be classified as a Health and Safety Measure if a safety hazard exists. May be installed as an optional measure if no safety hazard exists.
- 6 If required by the local jurisdiction, a building permit must be obtained and finalized for vented appliance installations (Furnace, Boiler, Water Heater, Oven and Range, and Vented Space Heater), Evaporative Cooler, Central HVAC, and Wood-Fueled Space Heater installations. A copy of the finalized permit must be placed in client's file.
- 7 Special licensing is required for the installation of Central HVAC systems, Furnace, and Boilers. Special licensing may also be required for the installation and/or repair of Evaporative Cooler, Oven and Range, Vented Space Heater, Air Conditioning, and Gas and Electric Water Heaters, if two or more weatherization measures are not installed in a single unit. Electrical wiring upgrade/replacement and knob-and-tube wiring certification will always require a C-10 license.
- 8 Repairs include cleaning and filter replacement.
- 9 Propane furnace repairs and replacements shall be reimbursed under Other Types Not Listed.
- 10 Also refer to the Energy Conservation Measures and Activity Definitions listed in Exhibit G, Materials Standards That Are Not Included in the CSD Weatherization Installation Standards, and Exhibit I, Definitions.
- 11 A wood-fueled space heater may only be installed if it is to be used to replace a fossil-fueled space heater and/or damaged or hazardous wood stove that cannot feasibly be repaired, i.e., cost of repair exceeds 40 percent (40%) of replacement cost or existing unit is not a listed and labeled stove.



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- 12 Per dwelling, attic and floor foundation venting may only be performed in conjunction with ceiling and floor insulation, respectively.
- 13 When using a blower door in conjunction with weatherizing a dwelling, do not apply these measures if the infiltration is less than the Minimum Ventilation Requirement or if the economic stop point for air sealing has been reached. (Refer to the Building Shell/Blower Door Use sections of the CSD Weatherization Installation Standards.) Does not apply to catastrophic leaks that are health and safety hazards, e.g., broken-out window, severely damaged door, etc.
- 14 When applying infiltration-reducing measures in conjunction with blower door testing, the crew hours set forth in the charts in Appendix A of the CSD Weatherization Installation Standards may be increased up to double the applicable amount for no more than the first 11 units weatherized by crews without prior experience. Does not apply when one or more crew members have participated in blower door weatherization of 11 or more dwellings.
- 15 When installing a Minor Envelope Repair Measure, the installation of deadbolt locks in conjunction with an exterior door replacement is allowable on rental units only. Reimbursement will be based on the material costs for the door, the deadbolt lock, and the labor.
- 16 Includes sliding glass doors. Does not include weatherstrip applied to attic and crawl space access hatches, to evaporative-cooler and air-conditioner covers, or to open combustion appliance enclosure doors. Expenditures for weatherstripping applied to covers and enclosure doors shall be charged under the appropriate appliance repair line item. When insulation is not installed, applies to access hatches and windows.
- 17 Technicians performing evacuation and charging of refrigerant must have EPA-approved certification as a Type II or Universal technician. Refrigerant shall be recovered, and all hazardous waste materials shall be disposed of in conformance with federal, state, and local codes.
- 18 Do not perform if dwelling has an operative evaporative cooler.
- 19 Electric Base Load Measures: Special training is a mandatory prerequisite for Contractors before performing Evaporative Cooler Installation and Window/Wall Air Conditioner Replacement. Contractor must contact CSD to schedule training.
- 20 Crawl space height shall be documented on the Weatherization Building Check and Job Order Sheet, or Contractor's equivalent.

Manual Thermostats may be installed only if the old thermostat is inoperable, and may be installed in lieu of Programmable Thermostats if it is determined that the client receiving such services will not be able to operate and maintain the Programmable Thermostat properly.

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**EXHIBIT B - ATTACHMENT II  
2005 DOE WEATHERIZATION BUDGET**

|  |  |                  |                   |
|--|--|------------------|-------------------|
| Contractor Name:   |  | Contract Number: | Telephone Number: |
| Class "B" Contractor's License No.:                      | Name on License:   |                  | Expiration Date:  |
| Prepared By (Print Name/Title):                          | E-mail Address:  |                  | Fax Number:       |
| <b>10 - ADMINISTRATIVE COSTS</b>                         |  |                  |                   |
| 1.   | Administrative Costs (Not to exceed allocated amount)              |                  | \$                |
| <b>20 - OTHER PROGRAM COSTS</b>                          |  |                  |                   |
| 2.   | Financial Audit  |                  | \$                |
| 3.   | Health and Safety (Not to exceed 25% of the total of Lines 9 & 15) |                  |                   |
| 4.   | Leveraging   |                  |                   |
| 5.   | Liability Insurance  |                  |                   |
| 6.   | Other Labor Costs  |                  |                   |
| 7.   | Other Miscellaneous Program Costs                                  |                  |                   |
| 8.   | Training and Technical Assistance (Not to exceed allocated amount) |                  |                   |
| 9.   | Vehicle and Equipment (Acquisition costs)                          |                  |                   |
| <b>10.</b>   | <b>TOTAL OTHER PROGRAM COSTS</b>                                   |                  | <b>\$</b>         |
| <b>30 - PROGRAM COSTS</b>                                |  |                  |                   |
| 11.  | Client Education   |                  | \$                |
| 12.  | Direct Program Activities  |                  |                   |
| 13.  | Intake   |                  |                   |
| 14.  | Outreach   |                  |                   |
| 15.  | Workers' Compensation  |                  |                   |
| <b>16.</b>   | <b>TOTAL PROGRAM COSTS</b>   |                  | <b>\$</b>         |
| <b>50 - TOTAL COSTS (Total of Lines 1, 10, &amp; 16)</b> |  |                  | <b>\$</b>         |
| <b>55 - TOTAL HOUSEHOLDS</b>                             |  |                  | <b>#</b>          |

**EXHIBIT C**  
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**GENERAL TERMS AND CONDITIONS**

1. Approval

This Agreement shall become a valid, enforceable agreement only after both parties sign it.

2. Amendment

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. Assignment

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. Audit

Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Government Code Section 8546.7, Public Contract Code Section 10115 et seq., California Code of Regulations Title 2, Section 1896)

5. Indemnification

Contractor agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

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6. Disputes

Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. Termination for Cause

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid the Contractor upon demand.

8. Independent Contractor

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. Nondiscrimination Clause

During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

10. Timeliness

Time is of the essence in this Agreement.

**EXHIBIT C**  
**(Standard Agreement)**

11. Compensation

The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise so provided.

12. Governing Law

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

13. Child Support Compliance Act

For any Agreement in excess of \$100,000, the Contractor acknowledges in accordance with, that:

- A. Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- B. Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

14. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

15. Computer Software

Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

16. Union Activities

For all contracts, except fixed price contracts of \$50,000 or less, the Contractor acknowledges that:

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**(Standard Agreement)**

By signing this Agreement Contractor hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this Agreement and agrees to the following:

- A. Contractor will not assist, promote, or deter union organizing by employees performing work on a State service contract, including a public works contract;
- B. No State funds received under this Agreement will be used to assist, promote, or deter union organizing;
- C. Contractor will not, for any business conducted under this Agreement, use any State property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote, or deter union organizing, unless the State property is equally available to the general public for holding meetings; and
- D. If Contractor incurs costs, or makes expenditures to assist, promote, or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from State funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.

**EXHIBIT D**  
**(Standard Agreement)**

**SPECIAL TERMS AND CONDITIONS**

1. Travel and Per Diem

- A. Contractor's programmatic-related travel costs and per-diem reimbursement rates shall not exceed the amounts established by the State Department of Personnel Administration Rules and Regulations, Section 599.619, and 599.631, dated October 1, 2002, and as amended from time to time.
- B. Contractor's administrative-related travel and per diem reimbursement costs shall be reimbursed based on the Contract's policies and procedures.

2. Conflict of Interest

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards in writing to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

3. Insurance and Fidelity Bond

A. General Requirements

1) Third-Party Insurance

- a. By execution of this Agreement, Contractor agrees that the below-required insurance policies and bond shall be in effect at all times during the term of this Agreement.
- b. Contractor shall provide the State with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.
- c. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide, at least 30 calendar days prior to said expiration date, a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate of Insurance

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(ACORD 25) shall identify and name the State as the Certificate Holder.

- d. New Certificates of Insurance are subject to review for content and form by CSD.
- e. In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.
- f. With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all certificates of insurance required under this Agreement.
- g. The issuance of other CSD contracts and amendments, to include any cash advances and reimbursement payments to the Contractor, shall be contingent upon required current and sufficient insurance coverage on file at CSD for this Agreement.

2) Self-Insurance

- a. When Contractor is a self-insured governmental entity, the State, upon satisfactory proof, may waive the appropriate insurance requirements upon written certification. An appropriate county or city risk manager shall sign this certification that shall contain assurance of the adequacy of the governmental entity's ability to cover any potential losses under this Agreement.
- b. Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amounts.
- c. Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

B. Workers' Compensation Insurance

- 1) Contractor shall have and maintain for the term of this Agreement workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.



**EXHIBIT D**  
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- 2) Contractor shall submit either an applicable Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-Insure issued by the Director of the Department of Industrial Relations to the State as evidence of compliance with the workers' compensation insurance requirement prior to issuance of an initial cash advance.

**C. Fidelity Bond**

- 1) Contractor shall have and maintain a fidelity bond in the minimum amount of four percent of the total amount of consideration set forth under this Agreement.
- 2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25) to the State as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

**D. General Liability Insurance**

- 1) Contractor shall have and maintain for the term of this Agreement general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.
- 2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), naming CSD as an additional insured, to the State as evidence of compliance with general liability insurance requirements prior to issuance of an initial cash advance.
- 3) Contractor shall have and maintain general liability, property and pollution insurance for a combined single limit of not less than \$500,000 per occurrence.
- 4) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), naming CSD as an additional insured, to the State as evidence of compliance with property and pollution insurance requirements prior to issuance of an initial cash advance.

**E. Vehicle Insurance**

- 1) Contractor shall have and maintain for the term of this Agreement vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.
- 2) When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the

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term of this Agreement nonowned and hired-auto liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property damage. (Driving to and from work is not within the scope of employment.)

- 3) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to the State as evidence of compliance with said vehicle insurance requirements prior to issuance of an initial cash advance.

4. Termination and Suspension

- A. Either party may terminate this Agreement at any time prior to its date of expiration upon 30 calendar day's notice to the other party. Such notice shall be delivered to the other party in writing, stating the reason for termination and the effective date thereof.
- B. Upon termination of this Agreement, the State, unless expressly granted in writing, shall not pay Contractor for any obligations incurred after the effective date of such termination. Contractor shall be paid for work performed prior to termination, as long as the work was performed according to the covenants contained herein at the time and in the manner provided herein.

5. Lien Rights

The State retains lien rights on all funds advanced.

6. Subcontracts

- A. Contractor may enter into subcontract(s) to perform part or all of the direct services covered under this Agreement. Prior to the commencement of subcontracted services under this Agreement, Contractor shall obtain board approval, to include but not be limited to, an assurance that the subcontractor agreement(s) shall comply with all terms, conditions, assurances, and certifications of this Agreement for the nonprofit and local governmental agencies performing services in the area(s) described in Exhibit A, Scope of Work, Section 2.
- B. Contractor shall provide written notification to the State within 60 calendar days of execution of each subcontractor agreement the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program description of each subcontractor activity to be performed under this Agreement.

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- C. Contractor shall immediately notify all of its subcontractor(s) in writing within five days of such action in the event the State suspends, terminates, and/or makes changes to the services to be performed under this Agreement.
- D. Contractor is the responsible party and shall remain liable for the performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of subcontract agreement(s) entered into in support of this Agreement, including disputes, claims, or other matters of a contractual nature as well as civil liability arising out of negligence or intentional misconduct of the subcontract(s).
- E. Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
- F. Contractor shall ensure compliance with the audit requirements as described in Exhibit C, General Terms and Conditions, Section 4. Audit, and Exhibit E, Additional Provisions, Section 2. Audit Reports, contained within this Agreement, if subcontracting services.

7. Governing Board Resolution

Contractor assures that its governing body has adopted and passed a resolution specific to this Agreement, which shall be forwarded to the State and which includes, at minimum, the following provisions:

- A. Authorization for the submittal to the State of this Agreement, including all exhibits and assurances contained herein;
- B. The name and signature of the chairperson of the board; the date signed by the chairperson; and, if applicable, the date the resolution was ratified by the board of directors;
- C. Identification of the contract number and program;

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- D. Authorization to and identification of the person/position certified as the official representative of the governing board to sign and enter into this Agreement and any subsequent amendments; and
- E. A statement, if subcontracting with a nonprofit or local governmental entity, that identifies the name of the subcontracted entity, the types of services to be provided by that entity, and the service area where subcontracted activities shall occur.

8. Contractor Licensing

Contractors that are nonprofit organizations and are performing weatherization activities under this Agreement certify that they possess and will continue to have an active Class "B" General Building Contractor license and all other required licenses, issued in the agency's name/qualifying individual by the Contractors' State License Board (CSLB). Contractor shall notify CSD when any changes in licensing occur.

9. Contractor's National Labor Relations Board Certification

Contractor certifies that no more than one final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal Court that orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

10. Drug-Free Workplace Requirements

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- B. Establish a Drug-Free Awareness Program to inform employees about:
  - 1) The dangers of drug abuse in the workplace;
  - 2) The person's or organization's policy of maintaining a drug-free workplace;
  - 3) Any available counseling, rehabilitation and employee assistance programs; and
  - 4) Penalties that may be imposed upon employees for drug abuse violations.
- C. Every employee who works on the proposed Agreement will:

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- 1) Receive a copy of the company's drug-free workplace policy statement; and
- 2) Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

11. Internal Control Certification

Contractor shall ensure the establishment and maintenance of a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. The system of internal accounting and administrative control shall include:

- A. Segregation of duties appropriate to safeguard state assets;
- B. Limited access to agency assets to authorized personnel who require these assets in the performance of their assigned duties;
- C. Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures;
- D. Established practices to be followed in performance of duties and functions;
- E. Personnel of a quality commensurate with their responsibilities; and
- F. Effective internal reviews.

12. Codes of Conduct

- A. Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Contractor shall

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neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to subagreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.

- B. Contractor shall not pay Federal funds received from CSD to any entity in which it (or one of its employees, officers, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein) has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in Office of Management and Budget Circular A-110, section 42.

13. Auditing Standards

- A. Contractor assures that it will comply with the auditing standards set forth in Exhibit D, Special Terms and Conditions, Attachment I, Department of Community Services and Development's (CSD) Supplemental Audit Guide, which is hereby incorporated by this reference.
- B. As required by the CSD Supplemental Audit Guide, Contractor shall ensure that its CPA or CPA firm includes supplemental statements of revenue and expenditure for all CSD contracts or programs in the single agency-wide audit. Contractor shall ensure that its CPA or CPA firm:
  - 1) Audits the supplemental statements of revenue and expenditures and includes a reconciliation between reported and audited costs.
  - 2) Identifies schedules by administrative and programmatic costs (direct and indirect/allocated) related to CSD contracts.
  - 3) Includes supplemental statements that identify excess revenue and interest income earned by CSD programs as well as any cumulative balances being carried by the agency.
- C. Contractor shall ensure that its CPA tests all indirect cost rates used in allocating costs to CSD programs and comments on the appropriateness of the allocation method being used. (If Contractor has an indirect cost allocation plan that has been approved by the agency's federal cognizant agency, this requirement does not apply.)
- D. Contractor shall have a system in place so that its client files contain supporting documentation and demonstrate compliance with this Agreement. Contractor's system shall include tracking or allocating hours and materials, cost per measure,

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and reimbursement claims to CSD. Contractor shall ensure that its CPA tests client files from each CSD program component for supporting documentation and program compliance for all applicable CSD contracts, as established by each contract's terms and conditions.

- E. Contractor shall ensure that its CPA fully reports on an agency's subsidiaries, wholly owned or otherwise, and all related, for-profit entities. If a separate audit of any subsidiary is not performed, Contractor shall ensure that its CPA fully discloses the activities of subsidiaries in the single agency-wide audit.

14. Expatriate Corporations

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code section 10286 and 10286.1, and is eligible to contract with the State of California.

15. Domestic Partners

Commencing on July 1, 2004 Contractor certifies that it is in compliance with Public Contract Code section 10295.3 with regard to benefits for domestic partners. For any contracts executed or amended, bid packages advertised or made available, or sealed bids received on or after July 1 2004 and prior to January 1, 2007, a Contractor may require an employee to pay the costs of providing additional benefits that are offered to comply with PCC 10295.3.

16. Air or Water Pollution Violation

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

17. Information Integrity and Security

Contractor is a non-State entity; and as such it certifies that it will safeguard access to State information resources, which includes the integrity and security of the State's automated files and databases. (State Administrative Manual Sections 4840.4, 4841.2, and 4841.3) Contractor shall establish appropriate policies and procedures for preserving the integrity and security of each automated file or database to include, at a minimum, the following:

- a. Appropriate levels of confidentiality for the data based on data classification (see State Administrative Manual Section 4841.3);

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- b. Standards for transmission and storage of the data, if applicable;
- c. Agreement to comply with all State policy and law regarding use of information, resources, and data;
- d. Signed confidentiality statements for any officers, employees, and board members that may have access to State information assets in conducting business with the State;
- e. Agreement to apply security patches and upgrades, and keep virus software up-to-date on all systems on which data may be used; and
- f. Agreement to notify the State data owners promptly if a security incident involving the data occurs.

18. Contractor Name Change

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

19. Forms

CSD shall provide masters of contract forms and Contractor shall duplicate them for future use. Contractors shall utilize the web-based monthly reporting system available on CSD's website at <http://www.csd.ca.gov>. Contractors shall utilize only CSD issued intake, reporting and activity forms during the term of this Agreement. Contractor equivalent of other DOE WAP forms must be approved by CSD.



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**ATTACHMENT I: CSD SUPPLEMENTAL AUDIT GUIDE**

**Purpose:** The purpose of this guide is to provide a tool that can be used by the independent auditor and CPA firms that perform audits of agencies that contract with the California Department of Community Services and Development (CSD). All independent auditors and CPA Firms must follow this audit guide if the agency being audited is funded, totally or in part, by CSD contracts.

The primary focus of this guide is auditing and reporting on specific items of costs reported by CSD-funded agencies. The procedures outlined in this guide will, in most cases, exceed the requirements of Office of Management and Budget (OMB) Circular A-133.

This guide is not intended to be an auditing procedures manual but rather a guide that will assist the independent auditor and CPA firm in testing certain costs identified by CSD as needing more-detailed disclosure. Auditors performing the work related to this audit guide must still exercise professional judgment.

1. **Auditor's Judgment**

The auditor shall follow the procedures included in this audit guide unless in the exercise of his or her professional judgment, the auditor determines that other procedures are more appropriate in particular circumstances. However, the auditor must justify in writing any change from the audit procedures suggested by this audit guide.

2. **Selected Items of Cost: Weatherization Crew Hours**

- A. Does the agency have a system in place to capture the actual hours each weatherization worker spends on each house? If so, document the system and report it to CSD.
- B. Verify that the monthly report summaries used to report weatherization crew hours provide accurate information by selecting a representative sample. Trace the monthly closeout report totals for weatherization labor hours to the agency's monthly report summaries and then confirm this to the supporting source documents.

3. **Inventory System**

- A. The independent auditor or CPA firm must gather evidence as to the existence of the inventory listed as an asset on the balance sheet. Also, the closeout report on CSD contracts requires an inventory listing on items purchased with CSD contract funds. Inventories listed on the balance sheet and on the CSD closeout reports must be verified that they physically exist.

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- B. Inventory listings must be accurately compiled in the inventory accounts. Inventories are to be properly stated at cost (except when the market rate is lower).

4. Subcontracts

Subcontracts must be arms-length agreements. Validate and report to CSD. CSD-funded agencies should be aware that contracting with wholly owned subsidiaries might not be considered arms-length agreements. This is especially true where both boards have similar members.

5. System of Internal Control

- A. Audits must include an examination of the systems of internal control. Internal control systems must be established to ensure compliance with laws and regulations affecting the expenditure of State and/or Federal funds, financial transactions and accounts, and the agency's process for submission of contractor billings submitted to CSD for the performance of the contract.
- B. The agency's accounting system must provide for accumulating and recording of expenditures by cost category (budget line items) shown in the approved budget. The independent auditor or CPA firm must give an opinion on the internal controls of the agency being reviewed.

6. Administrative Cost Cap

CSD contracts have an administrative cost cap. Administrative costs charged to each CSD contract must not exceed this cost. In addition, other Federal funds must not be used to exceed the total administrative cost cap charged to the CSD contract, unless specifically allowed by Federal statute.

7. Use of Indirect Cost Rates

- A. A Federally Approved Indirect Cost Allocation Rate may be used for selected items of costs up to the maximum allowed by the CSD contract's administrative cost rate. Costs claimed for a specific line item in the budget cannot be reported as direct costs and also as indirect costs.
- B. Validate the indirect cost rate used by the agency.

8. Basis For Allocation of Costs

The independent auditor or CPA firm must identify the agency's basis for distributing costs to CSD contracts. Costs charged to CSD contracts must be allocable, allowable,

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and based on actual expenses incurred by the agency for the CSD contract. Costs charged to the CSD contract must also have an approved contract budget line item.

9. Going Concern and Subsequent Events

The independent auditor or CPA firm must provide a “positive assurance” statement that any (significant) subsequent events, related directly or indirectly, that occurred after the final closeout report and single agency-wide audit are submitted to CSD do not materially affect the closeout report, as submitted by the agency. Additionally, the independent auditor or CPA firm must provide “positive assurance” whether or not the agency will continue as a going concern. Some examples are litigation settlement, bankruptcy, mergers, large loans, cash flow problems, etc.

10. Representation Letter

A Representation Letter between the independent auditor or CPA firm and the agency must be forwarded to CSD. The Executive Director and the agency’s controller (or equivalent) must sign the Representation Letter.

11. Supplemental Statements

- A. Beginning with the 1994 program year, CSD contract provisions have required the financial and compliance audit to include supplemental statements. These supplemental statements must be included as part of the package submitted to CSD with the single agency-wide audit for each fiscal year. CSD uses the above information to reconcile the audited costs to the costs reported by the agency.
- B. The supplemental statements should be based on the budget line items contained in the contract. The supplemental statement must include the contract budget line items, expenditures for each budget line item by fiscal year, total audited costs and total reported expenses by budget line item. Please refer to Supplemental Audit Guide Attachment Nos. 1 and 2 for examples of the format to use for the required supplemental statements.

12. Testing of Transactions

A sufficient number of items should be selected for review that represent all material costs categories. The audit should determine whether:

- a. Agency’s internal control over the contract is effective and working as intended;
- b. Reported program expenditures are allowable;
- c. Reported expenditures conform to funding or program limitations or exclusions;
- d. Reported expenditures are not charged to, or reimbursed by, other programs or funding sources.

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- e. Transactions are properly approved, reported, and supported by source documents;
- f. Reported expenditures were incurred within the appropriate contract term; and
- g. Agency complied with applicable laws, regulations, and contract requirements.

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**EXHIBIT E**  
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**ADDITIONAL PROVISIONS**

1. Limitation on Use of Funds

Contractor shall assure that funds received under this Agreement shall not be used for the purchase or improvement of land or for the purchase, construction, or permanent improvement of any building or other facility other than low-income weatherization or energy-related home repairs.

2. Audit Reports

- A. Funds provided under this Agreement shall be included in an audit conducted in accordance with the provisions of OMB Circular A-133 for nonprofit and public agencies, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in "Government Auditing Standards, 1994 Revision, as amended."
- B. Private, nonprofit contractors shall submit to CSD two (2) copies of the required audit report within six months of the end of the Contractor's fiscal year. Upon written request by the Contractor's CPA, which includes an explanation of why the audit cannot be submitted within six months of the end of the Contractor's fiscal year, CSD Audit Services Unit may grant an extension for submittal of the audit report not to exceed an additional 30 calendar days from the original due date.

The audit reports are to be submitted to the following address:

Department of Community Services and Development  
Attention: Audit Services Unit  
700 North 10th Street, Room 258  
Sacramento, CA 95814

- C. Local governmental entities shall submit to CSD two copies of the required audit report within 30 calendar days after the completion of the audit but no later than nine months after the end of the audit period. The audit reports are to be submitted to the address stated in Exhibit E, Additional Provisions, Section 2. Audit Reports, B above.

Local governmental agencies also shall submit the required number of copies of the audit report in accordance with the guidelines set by the Division of Audits of the State Controller's Office. Said reports are to be submitted to the following address:

State Controller's Office, Audits Division  
300 Capitol Mall, Fifth Floor  
Sacramento, CA 95814

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- D. Where services or funds under this Agreement are provided to, for, or by a wholly owned, or wholly controlled subsidiary of Contractor, Contractor hereby provides assurance that an audit shall be performed of this subsidiary organization in accordance with this Section. Said required audit report shall be made available to the State upon request.

3. Suspension and Termination

- A. The State may, upon reasonable notice to Contractor or Subcontractor, suspend this Agreement in whole or in part. In the case of Contractor's fraud or gross negligence, suspension without prior notice by the State is permissible.
- B. If Contractor has failed to comply with the material or performance-based terms of this Agreement, the State shall:
- 1) Notify the Contractor in writing by certified mail or personal service;
  - 2) Specify the effective date of the suspension;
  - 3) Specify the reasons for the suspension and what corrective action is expected;
  - 4) Give a specified period of time in which to take corrective action; and
  - 5) Inform the Contractor that if the corrective action is not taken within the specified time frame, the State will terminate the contract.
- C. A suspension shall remain in effect until Contractor has taken corrective action satisfactory to the State.
- D. New obligations, including costs for goods, services, or related expenses, incurred by Contractor under this Agreement during the suspension period will not be allowed unless expressly authorized by the State in the notice of suspension.

4. Contractor Assurances and Certifications

- A. Contractor certifies that it possesses legal authority to apply to the State for DOE Weatherization Assistance Program funds and assures compliance with the purposes as set forth in 42 USC 6861 et seq., as amended.
- B. Contractor assures that it shall exercise due care in the use, maintenance, protection, and preservation of state-owned property in Contractor's possession or any other property purchased by Contractor with State funds. Such care shall include, but is not limited to, the following:

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- 1) Maintaining insurance coverage against loss or damage to such property.
- 2) Ensuring that the legal ownership of any motor vehicle or trailer is in the name of the Contractor.

**C. Purchases**

- 1) Contractor acknowledges that this is a performance-based contract as cited in Exhibit F, Section 1., and assures that all supplies, materials, equipment, or services purchased with funds provided by this Agreement, shall be used solely for the activities allowed under this Agreement unless a fair market value for such use is charged to the benefiting program and credited to this Agreement.
- 2) Contractor shall adhere to its established policies and procedures regarding the purchase lease, or subcontracting for any articles, supplies, equipment, or services obtained from vendors or subcontractors having a per-unit cost in excess of \$5,000. Three competitive quotations shall be obtained or adequate justification maintained as to the absence of bidding. Policies and procedures shall be in conformance with OMB requirements contained in the following Circulars: A-102, Subpart C, or A-110 and approved by the Board of Directors. Noncompliance shall result in a disallowance of purchase/lease item(s) or subcontract. In cases of emergency where awarding a contract is necessary for the immediate preservation of public health, welfare, or safety, the three-bid process is not required.
- 3) For purchase or lease of equipment having a per-unit cost of five thousand dollars (\$5,000) or more, Contractor shall prepare and submit a Request for Purchase/Lease Approval, CSD 558, to CSD prior to commencing purchasing/leasing activities. Noncompliance shall result in a disallowance of purchase/lease item(s).

- D.** Contractor assures that it shall be in compliance with Federal and State Occupational Safety and Health Statutes, the California Safe Drinking Water and Toxic Enforcement Act of 1986, and Workers' Compensation laws.
- E.** Contractor assures that all weatherization personnel have been trained in lead-safe weatherization practices using CSD Lead-Safe Weatherization Training materials or other equivalent course materials. Records are to be maintained documenting trained personnel and completion dates of the required training.
- F.** Contractor assures that outreach activities designed to assure that eligible households with elderly individuals, disabled individuals, American Indian,



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migrant or seasonal farmworker individuals, and children age 18 and under are made aware of the assistance available under this Agreement.

**G. Federal Certification Regarding Debarment, Suspension, and Related Matters**

Contractor hereby certifies to the best of its knowledge that it or any of its officers:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- 2) Have not within a three-year (3) period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and
- 4) Have not within a three-year (3) period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.

**H. Contract Administration**

- 1) Contractors shall administer this Agreement in accordance with OMB requirements contained in the following Circulars: A-102, Subpart C, for public agencies or A-110 for nonprofit organizations.
- 2) Contractor shall conduct all procurement transactions in a manner to provide, to the maximum extent practical, open and free competition. Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals, or firms that develop or draft specifications, requirements, statements or work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall award any subcontractor to the bidder or offeror whose bid or offer is responsive to

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the solicitation and is most advantageous to Contractor when considering price, quality, and other factors. Contractor's solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.

**I. Pro-Children Act of 1994**

- 1) Contractor must comply with Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by federal programs either directly or through state and local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.
- 2) Contractor further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly.

**J. American-Made Equipment/Products**

Contractor shall assure, pursuant to Public Law 103-333, Section 507, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.

**5. Compliance with Rules and Regulations**

Activities of Contractor with respect to this Agreement shall be conducted in accordance with pertinent federal and state rules and regulations, including relevant Office of Management and Budget (OMB) Circulars and amendments thereto.

**6. Provisions for Federally Funded Grants**

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of Congressional appropriation of funds, to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the state by the United States Government for the purpose of this

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program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

- C. The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- D. The State has the option to invalidate this Agreement under the 30-day cancellation clause or to amend this Agreement to reflect any reduction for funds.

7. Nondiscrimination Compliance

- A. Contractor hereby certifies compliance with the following:
  - 1) Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.
  - 2) Title VI and Title VII of the Civil Rights Act of 1964, as amended.
  - 3) Rehabilitation Act of 1973, as amended.
  - 4) Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.
  - 5) Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.
  - 6) Public Law 101-336, Americans with Disabilities Act of 1990.
- B. Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this Section.

8. Affirmative Action Compliance

- A. Each Contractor or subcontractor with 50 or more employees and an agreement of \$50,000 or more, shall be required to develop a written Affirmative Action Compliance Program.
- B. The written program shall follow the guidelines set forth in Title 41 CFR Section 60-1.40, Sections 60-2.10 through 60-2.32, Sections 60-250.1 through 60-250.33, and Sections 60-741.4 through 60-741.32.

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- C. Each Contractor or subcontractor with less than 50 employees shall comply with Section 202 of Part II of Executive Order 11246, as amended by Executive Order 11375. Contractor shall ensure that subcontractors falling within the scope of this provision shall comply in full with the requirements thereof.

9. Political Activities

- A. Contractor shall refrain from all political activities if such activities involve the use of any funds that are the subject of this Agreement.
- B. Contractor is prohibited from any activity that is designed to provide voters or prospective voters with transportation to the polls or to provide similar assistance in connection with an election if such activities involve the use of any funds that are subject to this Agreement.

10. Lobbying Activities

- A. Contractor shall refrain from all lobbying activities if such activities involve the use of any funds that are the subject of this Agreement or any other funds, programs, projects, or activities that flow from this Agreement.
- C. If Contractor engages in lobbying activities, Contractor shall complete, sign and date the Certification Regarding Lobbying/Disclosure of Lobbying Activities, Exhibit J, as required by the U.S. Department of Health and Human Services under 45 CFR Part 93.

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**PROGRAMMATIC PROVISIONS**

1. Performance-Based Requirements

- A. Adequate fiscal performance will be the achievement of one hundred percent (100%) of stated expenditures by January 31, 2006. Achievement of the following expenditure percentages shall occur as follows.
- 10% by April 2005  
20% by May 2005  
30% by June 2005  
40% by July 2005  
50% by August 2005  
70% by October 2005  
100% by January 2006
- B. CSD shall review Contractor's achievement of goals each month.
- C. At the conclusion of each monthly period of the contract term, CSD shall review Contractor's achievement of goals, and if they are not being achieved, CSD shall notify Contractor that contract goals are not being met and Contractor shall be required to provide an immediate resolution.
- D. If the Contractor has previously been contacted regarding noncompliance and is found to have another monthly period of noncompliance, the Contractor shall be notified in writing that contract goals are not being met and that the Contractor has established a pattern of non-achievement of goals. The Contractor shall have to meet all goals inclusive to the next one-month period.
- E. If, at the conclusion of the August reporting period the Contractor has not achieved 50% of the contract goals or has failed to meet contract goals after written notification disclosing noncompliance, the State shall enter negotiations with the Contractor to access a realistic capacity to expend the remaining funds and a determination may be made as to the viable amount of funds that will remain in the contract. If a determination results in unexpended funds becoming available, the State will redistribute such funds to an eligible performing Contractor within the general geographic region of the Contractor-of-record. In the event a performing Contractor does not exist in the general geographic region, then the State shall reserve the right to redistribute funds to a performing Contractor within the state. If negotiations result in a modified expiration of the contract, Exhibit B Section 2. B. 3 shall prevail.

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2. Equitable Treatment

Contractor shall assure that homeowners and renters receive equitable treatment under this program.

3. Record-Keeping Responsibilities

- A. All records maintained by Contractor shall meet the OMB requirements contained in the following Circulars: A-102, Subpart C, ("Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments") or A-110, Subpart C, Nonprofit Organizations, whichever is applicable.
- B. Contractor shall maintain all records pertaining to this Agreement for a minimum period of three years (3) after submission of the final report. However, Contractor shall maintain all such records until resolution of all audit and monitoring findings are completed.
- C. Contractor shall make appropriate books, documents, papers, and records available to the Federal government, the State, or any of their duly authorized representatives including representatives of the entity selected by CSD to perform inspections, for examination, copying, or mechanical reproduction, on or off the premises of the appropriate entity upon a reasonable request therefore.
- D. Contractor shall maintain a separate file for each applicant certified as eligible to receive assistance. Said files shall include at least the following documentation:
  - 1) Energy Intake Form;
  - 2) Copies of source documents supporting eligibility;
  - 3) Building Check and Job Order Sheet;
  - 4) A source document that substantiates that the client was provided energy conservation education;
  - 5) If an energy audit is performed, a copy of the energy audit output report listing the recommended energy conservation measures. If an output report showing the measures installed is completed, a copy of this installed measures report;
  - 6) Written permission of the owner of a rental unit, or his/her agent, prior to performing any weatherization services recorded on the Energy Service Agreement for Rental Units, CSD 515, or the DOE Service Agreement for Unoccupied Multi-Unit Dwelling, CSD 515d;

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- 7) Required building permits;
  - 8) Documentation of compliance with the Environmental Protection Agency rules in 40 CFR 745, Lead; Requirements for Hazard Education Before Renovation of Target Housing, Final Rule, using Lead-Safe Education Confirmation of Receipt, CSD 321; Notice of Weatherization/Renovation, CSD 320; and Record of Tenant Notification Procedures, CSD 322; and
  - 9) If applicable, CSD Weatherization Deferral Form.
  - 10) CSD 600, Statement of Citizenship, Alienage and Immigration Status for Public Benefits, and supporting documents, if applicable;
  - 11) If applicable, source documentation and records substantiating mileage claim by individual weatherized SFD and MUD Unit.
- E. Contractor shall also maintain client intake/needs assessment and appropriate supporting documentation, including appeal documents, for each applicant who is not certified as being eligible to receive assistance.
- F. Contractor shall ensure that employee and applicant records shall be maintained in a confidential manner to assure compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.
- G. Contractor shall maintain source documentation in such a manner that includes job references and total labor hours so that actual costs, are traceable, and that all costs expended under this Agreement have purchase orders, inventory records, and time sheets identifying the funding source. To be sure that the per-dwelling average has not been exceeded, Contractor shall calculate the average program support including materials costs at least once each reporting period and shall retain a dated copy in a file to be available for review by CSD upon request.
4. Right to Monitor, Audit, and Investigate
- A. Any duly authorized representative of the federal or state government, which includes but is not limited to the State Auditor and the entity selected by CSD to perform inspections, shall have the right to monitor and audit Contractor and all subcontractors providing services under this Agreement through on-site inspections, audits, and other applicable means the State determines necessary.
- 1) Unless Contractor assumes the task of arranging inspection visits with the selected weatherization clients, Contractor shall provide the use of a telephone to the inspector.

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- 2) Contractor is required to accompany the inspector on client inspection visits and may, provide transportation and, equipment to the inspector in accordance with the CSD Inspection Policies and Procedures.
  - B. Any duly authorized representative of the Federal or State government shall have the right to undertake investigations in accordance with 42 U.S.C. 6861 et seq., as amended.
  - C. All agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause permitting the State or a duly authorized representative of the federal or state government access to the working papers of said audit firm(s).
5. Fair Hearing Process for Alleged Violation of the Civil Rights Act Against Contractor
- A. In the event of any violation or alleged violation of Title VI of the Civil Rights Act of 1964, as amended, Contractor has the right to request a fair hearing in response to such violation or alleged violation within 30 calendar days from the date of such action.
  - B. The State shall conduct such fair hearing in accordance with Title 45, Code of Federal Regulations, Section 81.1., et seq.
6. Fair Hearing Process for Applicants for Denial of Benefits by Contractor
- A. Contractor shall inform, at the time of intake, all applicants of their right to appeal all claims for assistance that are denied or are not acted upon with reasonable promptness.
  - B. Contractor shall review all claims from applicants who are determined ineligible for benefits or who have submitted written notice that there has been an unreasonable delay in processing their application.
  - C. Contractor shall conduct a structured, fair, and impartial meeting within five working days of the initial request for appeal and shall make a good faith effort to resolve the applicant's complaint(s) at the local level. Contractor shall make a written finding that sets forth the case of both parties and the decision of Contractor.
  - D. If the appeal is not resolved at the local level, Contractor shall inform the applicant that an appeal to the State may be requested as part of the Fair Hearing process and shall provide the applicant with an appropriate form.
  - E. If the applicant decides to appeal to the State, applicant shall submit a written appeal request to be received by the State within 10 working days from the date of



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Contractor's final decision. Upon request from CSD, Contractor shall provide all supportive documentation to be received by the State within five working days.

- F. If a weatherization-related Special Condition is imposed, Contractor shall proceed with the appeal process as described in Exhibit F, Programmatic Provisions, Section 8. Special Provisions, D. Scope of Services, 15) Appeal Process, item a.

7. Contractor Activities

A. Coordination

Contractor shall refer all potentially eligible applicants to other energy conservation programs. Contractor shall coordinate its activities with other Federal, State, or local energy conservation programs with the goal of conserving energy, improving thermal efficiency, and defraying energy costs of low-income households.

B. Concurrent Activities

Contractor may perform services and install energy conservation measures as per this Agreement and as per other energy programs concurrently in the same dwelling as feasible and in the best interest of the client; however, Contractor may not claim reimbursement for services performed and energy conservation measure(s) installed from more than one funding source.

C. Permission of Owner

Contractor shall obtain written permission of the owner of a rental unit, or his/her agent, prior to performing any DOE WAP services. Such permission shall be recorded on the Energy Service Agreement for Rental Units, CSD 515, or the DOE Service Agreement for Unoccupied Multi-Unit Dwelling, CSD 515d.

- D. DOE WAP services shall be provided to a dwelling unit on a one-time basis for the same occupant(s), except that Contractor may return to the unit within the same calendar year under which the initial services were provided and apply measures not applied during the initial services within the total remaining expenditure limit. Reimbursement for outreach and dwelling assessment shall not be claimed nor can the unit be claimed as another completion. The only exception shall be when the unit is damaged by a natural disaster such as a fire, earthquake, hurricane, etc., and such damage is not and will not be paid for or reimbursed by any other source.

8. Special Provisions

A. Applicant Eligibility

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- 1) Pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and Executive Order W-135-96, dated August 27, 1996, while in effect, applicants for federally funded public benefits are required to provide proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status. Contractor shall verify client eligibility in accordance with CSD Applicant Verification of Eligibility Regulations, forms, and other written guidance provided by CSD.
- 2) Income verification must be for at least one month and be current within six (6) weeks of the application intake date or an annual award letter. Contractor shall maintain appropriate documents in each applicant's file.
- 3) DOE WAP services shall be available only to the following households:
  - a. Households with incomes that do not exceed an amount equal to sixty percent (60%) of the State median income; or
  - b. Households in which one or more individuals are receiving one or more of the following types of assistance and whose income does not exceed an amount equal to sixty percent (60%) of the State median income:
    - i. Temporary Assistance for Needy Families (TANF), Public Law 104-193, Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Chapter 2, Part 3, Division 9, of the Welfare and Institutions Code;
    - ii. Supplemental Security Income (SSI)/State Supplementary Program (SSP) payments;
    - iii. Food Stamps;
    - iv. Payments under Sections 415, 521, 541, or 542 of Title 38 of the United States Code, or under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
    - v. County General Assistance, Part 5, Division 9, of the Welfare and Institutions Code.
- 4) No household shall be excluded from eligibility solely on the basis of household income if that income is less than one hundred and ten percent (110%) of the poverty level for this State.

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**B. Provision of Services - Certification**

- 1) Contractor shall certify a household's income eligibility for the provision of weatherization services before the installation of any weatherization measure.
- 2) The certification shall remain in effect for a period of 120 days from the date the household is determined income eligible.
- 3) At a minimum, within the 120-day period of the household's certification, Contractor shall perform the assessment of the dwelling and determine the weatherization measures to be installed.
- 4) If the assessment of the dwelling and the determination of the weatherization measures to be installed do not begin within the 120-day period of the household's certification, Contractor shall recertify the household's eligibility and shall not charge for costs associated with recertification such as outreach, and intake activities.

**C. Service Priority**

- 1) Contractor shall give first priority for weatherization services to those households that have the highest energy burden and high residential energy users. See Exhibit I, Definitions.
- 2) Contractor shall factor into its first priority eligible households with elderly persons (ages 60 years or older), disabled, American Indians, migrant and seasonal farmworkers, and families with children under the age of 19.
- 3) Additional priorities shall be as set forth in Exhibit H, Weatherization Priority Plan Narrative. Contractor shall describe in narrative format the selection process for dwellings to be weatherized and shall describe the outreach methods to be utilized to assure that eligible households are made aware of the services through the DOE WAP program or any similar energy-related assistance program.
- 4) Due to limited funding, Contractors shall ensure compliance with the DOE Re-weatherization Policy when providing services to dwellings previously weatherized from September 30, 1993 and earlier. See Exhibit F Section 8. D. 4.

**D. Scope of Services**

- 1) Outreach

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Contractor shall perform appropriate outreach activities to ensure households in the service area are informed about the DOE WAP and have an opportunity to apply for services. Contractor may claim reimbursement for outreach and its related services only once for each unit weatherized under this Agreement or a previous CSD agreement.

a. Unweatherized Dwellings

Contractor may claim reimbursement for outreach in accordance with Exhibit B, Section 3.C. for each eligible unit not previously weatherized. Additionally, Contractor will be allowed to claim reimbursement when a safety check of combustion appliances reveals safety hazards that preclude tightening of the envelope.

b. Dwellings Weatherized with Nonfederal Funds

Contractor may claim reimbursement for outreach only if another service provider performed the previous weatherization.

c. Dwellings Weatherized with Low-Income Home Energy Assistance Program (LIHEAP) and DOE WAP Funds

Contractor may claim reimbursement for outreach only once when LIHEAP, and DOE WAP funds are used concurrently in the same unit.

2) Intake Activities

Intake program funds shall be used for determining eligibility of applicants seeking DOE WAP services. Services include the process of completing an intake form and reviewing applicant documentation. Contractor shall:

- a. Establish reasonable hours whereby customers/applicants will have access during regular business hours to seek program information with an assurance that the Contractor shall respond to the customer/applicant's request within a reasonable amount of time.
- b. Accept applications for assistance during regular business hours.
- c. Provide to low-income individuals who are physically infirm the means to submit applications without leaving their residences.
- d. Provide intake only at sites accessible to the disabled.

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- e. Contractor shall utilize the Energy Intake Form as a multipurpose form for referrals to the DOE WAP program, LIHEAP Weatherization program, LIHEAP CARE/RRP program, and the LIHEAP ECIP HCS program.
  - f. Unweatherized Dwellings  
  
Contractor may claim for each eligible household not previously weatherized. Additionally, Contractor will be allowed to claim intake costs when a safety check of combustion appliances reveals safety hazards that preclude tightening of the envelope.
  - g. Dwellings Weatherized with Nonfederal Funds  
  
If the previous weatherization was performed under a nonfederal program, the occupant eligibility must be certified; therefore, Contractor may claim intake costs.
  - h. Dwellings Weatherized with LIHEAP and DOE WAP Funds  
  
Contractor may claim intake only once when LIHEAP and DOE WAP funds are used concurrently in the same unit.
- 3) Assessment of Dwellings
- a. Following intake and preceding the installation of any weatherization services, Contractor shall assess each eligible dwelling.
  - b. Contractor shall inspect the dwelling of each eligible applicant to determine if the unit is structurally sound and not in need of extensive repairs. All pre-1979 dwellings are subject to the lead-safe weatherization guidelines in accordance with the CSD Lead-Safe Weatherization Policies.
  - c. If the dwelling unit is not eligible because of the need for extensive repair, the unit shall not be serviced and the applicant should be referred to the local Housing and Community Development Department, U.S. Farmers Home Administration Housing Loan Program, or other similar organizations or programs.
  - d. Documentation of ineligibility due to the need for extensive repairs shall be recorded on the Energy Dwelling Unit Assessment, CSD 554, or Contractor's equivalent.

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- e. If the applicant can obtain the necessary repairs to make the dwelling unit eligible for weatherization services, weatherization activities may be accomplished following the repair work.
  - f. If an unvented space heater is being utilized, infiltration reduction measures shall not be applied unless venting is installed or the unit is replaced.
  - g. Contractor shall conduct a preliminary combustion appliance safety check on all dwelling units that are not all-electric units, and, where applicable, perform a post-check of said dwelling using the Combustion Appliance Safety Inspection Form (RHA 1/15/03).
  - h. If it is determined during the assessment that the dwelling unit contains a condition that is hazardous to the occupants, proper steps in accordance with CSD Low-Income Weatherization Assistance Program Policies and Procedures manual must be taken to alleviate the hazard. In these cases, infiltration reduction measures may not be installed until the hazard has been corrected; however, Contractor may install non-infiltration reduction measures.
  - i. Contractor may claim reimbursement for weatherization activities as documented on the Energy Dwelling Unit Assessment, CSD 554, or Contractor's equivalent, for each eligible household not previously weatherized. Additionally, Contractor will be allowed to claim reimbursement when a safety check of combustion appliances reveals safety hazards that preclude tightening of the envelope.
  - j. Contractor shall perform a blower door test on each dwelling with operable forced air units in accordance with CSD Low-Income Weatherization Policies and Procedures. In units with one or more combustion appliances present, blower door testing shall follow the preliminary combustion appliance safety checks. If contractor determines that a blower door test is not feasible, Contractor may perform a duct leakage test utilizing a duct blaster.
- 4) Previously Weatherized Dwellings (Also Known as Reweatherized Dwellings)
- a. If a dwelling has been previously weatherized under a Federal Program between September 30, 1985, and September 30, 1993, Contractor may provide, within the dollar limits of this Agreement,

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heretofore unapplied allowable measures. Contractor shall report this activity as a reweatherized unit. Contractor must perform an energy audit for each unit to be reweatherized. Only those energy conservation measures at or above a savings-to-investment ratio (SIR) of 1 are allowable. The dwelling and occupant eligibility must be recertified; therefore, Contractor may claim reimbursement for assessment of the dwelling.

Additionally, a dwelling that has been damaged by a natural disaster such as fire, flood, earthquake, hurricane, etc., or any other act of God, and repair of the damage to weatherization materials is not and will not be paid for or reimbursed by any other source, Contractor may have the damages repaired. The occupant must be certified as currently eligible, and a new dwelling assessment must be performed. See Exhibit F, Attachment I., Disaster Relief Plan.

- b. If the previous weatherization was performed under a nonfederal program, the dwelling and occupant eligibility must be recertified; therefore, Contractor may claim reimbursement for assessment of dwelling and intake.
- c. In accordance with Exhibit F, Programmatic Provisions, Section 8. Special Provisions, C. Service Priority, item 3, Contractor shall describe the process for prioritizing previously weatherized dwellings on the Weatherization Priority Plan, Exhibit H.

5) Selection of Units to be Weatherized

- a. Occupied Multiple Unit Dwellings
  - i. Funds under this Agreement may be used to weatherize an entire building containing multiple dwelling units only if the dwelling units occupied by eligible applicants represent at least sixty-six percent (66%) percent of the total units within the building. In order to weatherize a building that contains two units or four units, at least fifty percent (50%) percent of the dwelling units must be eligible. Otherwise, only units occupied by eligible households shall be serviced.
  - ii. The amount of funds applied to weatherization services in a building shall not exceed the number of eligible dwelling units multiplied by the \$2,744 maximum average per unit. Example: if a building of 10 units has eight units occupied

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by eligible households and two units occupied by ineligible households, \$21,952 is the maximum to be paid.

- iii. Contractor shall certify unit eligibility by completing the latest version of the Energy Intake Form, CSD 43 or 44, latest version, for each dwelling unit in each building. Certification of eligibility by the owner/manager of the occupants of the building/complex is not acceptable.
- iv. Contractor shall complete a Multi-Family Dwelling Unit Eligibility Certification, CSD 75P (Rev. 1/96), for each complex and shall maintain a copy in each individual client file.
- v. For multi-unit dwellings with a common water heater, Contractor may claim reimbursement for only one water heater. Contractor may claim reimbursement for the actual number of water heater blankets used to wrap the common water heater. Contractor shall prorate the cost among all dwelling units.

b. Unoccupied Multiple Units Dwelling

Contractor may provide weatherization services under this Agreement to ineligible dwelling units in an unoccupied multiunit building only when the following conditions are met:

- i. The dwelling units will become eligible (occupied by eligible low-income tenants) within 180 days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building;
- ii. The benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in the units. These benefits include lower energy bills, improved health and safety, and a higher level of comfort;
- iii. The owner has signed a copy of the DOE Service Agreement for Unoccupied Multi-Unit Dwelling, CSD 515d, authorizing the weatherization work, accepting conditions protecting the interests of tenants, and other provisions required by CSD;



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- iv. For a period of two years after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed. Tenants shall be given a written summary of these conditions with the current telephone number of the Contractor with instructions on how to file a complaint should these conditions not be met. Contractor shall investigate all complaints filed and shall forward a copy of all written complaints to CSD or, if a verbal complaint has been made, contact CSD with the details of the complaint (date made, date investigations began, and results). Should a complaint be found valid, Contractor shall obtain the amount equal to the weatherization work performed on that unit from the landlord and, if previously reimbursed from CSD, remit that amount to CSD along with details of the investigation. See Energy Service Agreement for Rental Units, CSD 515 (Rev. 10/99). This form shall be retained in the Contractor's file; and
- v. No undue or excessive enhancement shall occur to the value of the dwelling units.

c. Group Homes

If the building does not qualify as a multi-family structure, income eligibility is based on all occupants as a group, and the building must be weatherized as a single dwelling unit. The maximum that can be paid is an average of \$2,744 as specified in Exhibit B, Section 3.C.

d. Temporary Shelters/Homeless Individuals

Eligibility of the occupants may be assumed if the owner/operator will certify in writing that occupancy is limited to no more than 90 calendar days and that admittance criteria complies with CSD contract eligibility guidelines. Whether or not rent is paid has no effect on eligibility. Maximum reimbursement will be based on the unit otherwise qualifying as a multi-family structure or a group home.

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- 6) Ineligible Dwellings
- a. Contractor shall not weatherize a dwelling unit that is designated for acquisition or clearance by a Federal, State, or local program within 12 months from the date weatherization of the dwelling unit would be scheduled to be completed.
  - b. Contractor shall not weatherize a dwelling having master-metered units unless direct savings to individual tenants can be documented. Contractor shall place such documentation in the client's file.
  - c. No institutional or commercial building (university, school, nursing home, hospital, hotel, motel, etc.) may be weatherized under this Agreement.
- 7) Health and Safety
- a. Contractor may apply no more than 25 percent of the total program operations funds expended toward mitigating health and safety hazards based on heating and cooling services.
  - b. Following dwelling assessment and prior to installing any weatherization services, Contractor shall conduct a preliminary combustion appliance safety check on all dwelling units that are not all-electric units, and, where applicable, perform a post-check of said dwelling. Contractor shall perform a combustion appliance safety post-test according to the specifications outlined in the Combustion Appliance Safety Inspection Form (RHA 1/15/03).
  - c. Contractor shall perform all combustion appliance safety (CAS) testing in conformance with the current CSD Conventional Home Weatherization Installation Standards (WIS) and CSD Mobile Home WIS.
  - d. Contractor may claim reimbursement for assessment in accordance with Exhibit B, Section 3.C. for each eligible household. Additionally, Contractor will be allowed to claim reimbursement when a safety check of combustion appliances reveal safety hazards that preclude tightening the envelope.
  - e. Contractor shall install at least one carbon monoxide (CO) alarm in each dwelling containing any type of combustion appliance, including those that burn wood, pellets, coal, liquid petroleum, and

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- oil. Contractor shall install a second CO alarm when prescribed by Section 30 of the current CSD Conventional Home WIS.
  - f. Contractor is authorized to: (1) mitigate health and safety hazards generated by combustion appliances; (2) preserve or improve indoor air quality; and (3) address knob-and-tube wiring.
  - g. Contractor shall install all health and safety measures in conformance with the current CSD Conventional Home Weatherization Installation Standards (WIS) and CSD Mobile Home WIS, and the CSD Low-Income Weatherization Assistance Program Policies and Procedures. Contractor shall correct all health and safety hazards resulting from weatherization measure installation.
  - h. Contractor shall comply with the Environmental Protection Agency rules in 40 CFR Part 745, Lead; Requirements for Hazard Education Before Renovation of Target Housing; Final Rule, on applicable dwellings.
  - i. Contractor shall document confirmation of receipt of lead pamphlet, "Protect Your Family From Lead in Your Home" by dwelling occupant using the Lead-Safe Education Confirmation of Receipt, CSD 321. All pre-1979 dwellings are subject to the lead-safe weatherization guidelines in accordance with the CSD Lead-Safe Weatherization Policies. Contractor shall document notification to tenants of multi-family housing of weatherization and/or renovation activities in common areas using the Notice of Weatherization/Renovation, CSD 320, and the Record of Tenant Notification Procedures, CSD 322.
  - j. Contractor shall budget and report expenditures for health and safety hazard abatement materials separately from standard program operations expenditures.
- 8) Minor Envelope Repairs
- a. Following a determination that no combustion by-product hazards exist, Contractor shall perform pressure diagnostic guided infiltration reduction using a pre-weatherization blower door test on all mobile homes, manufactured homes, and all site-built dwellings with operable forced air units. Post-weatherization blower door testing will be performed on those dwellings that received pre-weatherization blower door testing and shell tightening to determine that ventilation requirements are not below

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minimum shell target. All blower door testing shall be performed in conformance with the current CSD Conventional Home WIS and CSD Mobile Home WIS.

- b. Contractor shall perform necessary and feasible minor envelope repairs, as defined in Exhibit I, up to \$887 in costs per dwelling to eligible dwellings prior to installing energy conservation measures.
- c. If Contractor determines that a blower door test is not feasible, Contractor may perform a duct leakage test utilizing a duct blaster.
- d. Repair of large leaks identified by blower door testing (sealing of catastrophic leaks and minor envelope repairs) may reduce shell leakage so close to the Minimum Ventilation Requirement (MVR) that caulking and/or weatherstripping are not feasible, under infiltration reduction measures. In this case, Contractor may substitute noninfiltration reduction measures as needed for the nonfeasible caulking and/or weatherstripping measures.

9) Installation Guidelines

- a. Contractor shall apply measures and materials in accordance with the initial dwelling assessment documented on the DOE Building Check and Job Order Sheet or Contractor's equivalent. Contractor shall accomplish installation of those measures contained therein in conformance with the current CSD Conventional Home Weatherization Installation Standards (WIS), the CSD Mobile Home WIS, and the CSD Low-Income Weatherization Program Policies and Procedures, the CSD Lead-Safe Weatherization Policies, CSD Health and Safety Plan, and the CSD Inspection Policies and Procedures manual, hereby incorporated by reference. Contractor shall perform all work in a lead-safe manner when and where appropriate.

Standards contained in the Uniform Building Code and local city and county codes shall take precedence over the CSD WIS manual if the code requirement: (1) is not included in the manual, or (2) is more stringent.

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- b. If required by local jurisdiction, a building permit must be obtained and finalized for vented appliance installations (Furnace, Boiler, Water Heater, Oven and Range, and Vented Space Heater), Evaporative Cooler, Central HVAC, and Wood-Fueled Space Heater installations. A copy of the finalized permit must be placed in client's file.
- c. Special licensing is required for the installation of Central HVAC systems, Furnace, and Boilers. Special licensing may also be required for the installation and/or repair of Evaporative Cooler, Oven and Range, Vented Space Heater, Air Conditioning, and Gas and Electric Water Heaters, if two or more weatherization measures are not installed in a single unit. Electrical wiring upgrade/replacement and knob and tube wiring certification will always require a C-10 license.

d. General Heat Waste Measures

After the above-listed Scope of Services activities (outreach, intake, assessment, health and safety check of combustion appliances, infiltration reduction, and minor envelope repairs), Contractor shall perform or install, if feasible, the following general heat waste measures in all types of dwellings, including multi-unit dwellings and manufactured homes:

- i. Evaporative cooler covers and air conditioner vent covers
- ii. Hot water flow restrictors
- iii. Water heater blankets
- iv. Water heater pipe wrap

e. Priority Lists of Energy Conservation Measures

Contractor may install compact fluorescent lights (CFLs) according to the WIS and the Policies and Procedures in all eligible dwellings statewide without being cost-justified by an energy audit.

Contractor shall install the following energy conservation measures where feasible in site-built single-family dwellings and small multi-family dwellings (less than five units):

Climate Zone 4 (less than 2,000 CDD and less than 4,000 HDD)

- i. Programmable thermostats

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- ii. Attic insulation
- iii. Floor insulation.

Climate Zone 5 (2,000 CDD or more and less than 4,000 HDD)

- i. Programmable thermostats
- ii. Attic insulation
- iii. Evaporative cooler
- iv. Storm windows for slab-on-grade site-built single family dwellings and small multi-family dwellings only.

Contractor shall install measures from these priority lists in the above numerical order, and Contractor shall not exclude or skip any measure unless:

- i. A blower door and/or pressurized duct diagnostic test indicates that installation of the measure is not feasible;
- ii. Dwelling already has that measure in place;
- iii. Measure cannot be properly installed, or
- iv. Client refuses installation (client refusal is to be documented and placed in file);
- v. Maximum dollar limit of an average of \$2,744 per dwelling is reached; or
- vi. Measure is not needed or required.

Contractor shall include notations of exception(s) in the client file. See Exhibit K for a list of Annual Heating Degree Day and Cooling Degree Day Data by city in California.

f. Energy Audit

- i. If the reimbursement limit of an average of \$2,744 per dwelling has not been reached from the activities of outreach, intake, health and safety, infiltration reduction, minor envelope repairs, general heat waste measures, CFLs, and the priority list of energy conservation measures, Contractor shall install other energy conservation measures, and electric base-load measures (see Exhibit I, Definitions) based on a site-specific energy audit for:
  - (a) All multi-unit dwellings (five or more units);
  - (b) All manufactured homes;

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- (c) All site-built dwellings in Climate Zone 1, less than 2,000 CDD and more than 7,000 HDD;
- (d) All site-built dwellings in Climate Zone 2, less than 2,000 CDD and 5,500-7,000 HDD;
- (e) All site-built dwellings in Climate Zone 3, less than 2,000 CDD and 4,000-5,499 HDD;
- (f) All site-built dwellings in Climate Zone 4, less than 2,000 CDD and less than 4,000 HDD, beyond the above priority list;
- (g) All site-built dwellings in Climate Zone 5, 2,000 CDD or more and less than 4,000 HDD, beyond the above priority list;

unless otherwise allowable as per the Policies and Procedures manual. For example, the Policies and Procedures for electric base-load measures states that a replacement refrigerator may be replaced only if it was manufactured in 1992 or earlier.

- ii. Contractor shall perform energy audits as per the above protocol using the National Energy Audit Tool (NEAT) for single-family site-built dwellings and small multi-family dwellings (less than five units). Contractor shall perform energy audits using the Manufactured Home Energy Audit (MHEA) for manufactured homes.

Contractor shall install those feasible energy conservation measures shown by the NEAT or MHEA energy audit to have a savings-to-investment ratio (SIR) of 1 or more, beginning with the highest SIR on the list and working down in SIR order.

- iii. Multi-unit complexes shall have the NEAT energy audit performed on at least one typical unit on each ordinal wall (north, east, west, and south) and at least one inside unit, if applicable. The most common resulting prescribed weatherization measures from these separate energy audit reports above a SIR of 1 shall be installed on eligible units. A separate energy audit shall be performed for each unit that varies from the "typical" units in the same complex. Contractor shall install those feasible energy conservation

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measures shown by the energy audit to have a SIR of 1 or more, beginning with the highest SIR on the list and working down in SIR order.

- iv. Contractor shall place a copy of the energy audit output report showing the list of recommended energy conservation measures in the client's file. If an output report showing the measures installed is completed, Contractor shall place it in the client's file.
- g. Upon the State's request, Contractor shall furnish proof that materials used under this program conform to the requirements of Exhibit G, Materials Standards, That Are Not Included in the CSD Weatherization Installation Standards, the CSD WIS, DOE 10 CFR Part 440 Appendix A, and/or State, county, or local regulations, and were procured in conformance with OMB requirements contained in the following Circulars: A-102, Section 36, or A-110, Attachment 40.
- h. Any weatherization materials purchased with these grant funds and remaining at the expiration of this Agreement shall be credited against Contractor's weatherization materials expenditures under this Agreement and charged to whatever other weatherization program Contractor may have in effect. If Contractor has no other weatherization program in effect, Contractor shall contact the State for disposition instructions.

10) DOE Waiver for Fuel Switching

Contractor shall not switch fuel when replacing furnaces or any other allowable appliance unless DOE provides a waiver in writing. Contractor shall keep a copy of such waiver in the client's file and shall forward a copy to CSD.

11) Quality Assurance

- a. Contractor, or its designee, shall establish a comprehensive, detailed, and fully documented Quality Control procedure to assess the quality and completeness of weatherization work performed under this Agreement. In addition, Contractor shall provide assurance that all weatherization work performed under this agreement is consistent with the CSD Low-Income Weatherization Policy and Procedures, CSD Conventional Home and CSD Mobile Home Weatherization Installation Standards, Lead-Safe Weatherization Policy and Procedures (if applicable), and CSD



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Health and Safety Plan. Such assurance will be documented and noted on the Weatherization Building Check and Job Order Sheet (CSD 540), or Contractor's equivalent, signed and dated by certifying agency representative. Contractor shall not report a dwelling as weatherized nor request reimbursement prior to the above certification.

- b. The State, or its designee, may perform an inspection of dwellings weatherized under this Agreement in accordance with CSD Inspection Policies and Procedures.
- c. Contractor agrees to remedy all Non-Hazardous Conditions (non-hazardous work deficiencies) noted by the State or its designee within 20 working days of written notice.
- d. Contractor must remedy all Hazardous Conditions (safety hazards) resulting from weatherization measure installation. The immediate hazard shall be eliminated within 24 hours, and hazardous conditions shall be completely resolved within five (5) working days of written notification. The time period may be extended for circumstances beyond the Contractor's control; however, the time extension must be approved in writing by CSD prior to the expiration of the five (5) working days.

12) **Lead-Safe Weatherization**

Contractor shall perform all weatherization services on pre-1979 units in a lead-safe manner in conformance with the current CSD Conventional and Mobile Home WIS, Appendix I., and Cal/OSHA Lead in Construction Standard, Title 8, Code of California Regulations (CCR) Section 1532.1, and CSD Lead-Safe Weatherization Policies.

- a. Lead-based paint is presumed to be present in all pre-1979 units unless the dwelling unit has previously been certified by a California Certified Inspector/Risk Assessor to be lead-free. A copy of the certification must be placed in client's file. In all units not certified to be lead-free, all weatherization measures that disturb painted surfaces are subject to lead-safe weatherization guidelines in accordance with the CSD Lead-Safe Weatherization Policies.
- b. In the United States Department of Housing and Urban Development (HUD) units built prior to 1979, lead-based paint is presumed to be present unless the dwelling unit has been certified by a California Certified Inspector/Risk Assessor to be lead-free. HUD Units not previously certified to be lead-free, built prior to 1979, and receiving

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weatherization services in which painted surfaces exceeding de minimis levels (refer to definition in Exhibit I) are disturbed requires the successful achievement of lead-safe standards after the completion of weatherization services. The clearance inspection must be performed by a third-party California Certified Inspector/Risk Assessor and deem the weatherized HUD unit as lead safe after the completion of weatherization services. Should a clearance inspection be required, agencies should defer the costs of the clearance inspection to the property owner and/or local housing authority. In many cases, the local housing authority has licensed inspectors and may possibly conduct a clearance inspection of a HUD unit free of charge. However, in those instances where the property owner and/or the local housing authority are unable to incur the costs of the clearance inspection, contractors may seek a waiver allowing the cost of the inspection as a reimbursable activity. Waiver requests will be treated on a case-by-case basis and must be approved by CSD prior to beginning weatherization services. A copy of the clearance inspection must be placed and maintained in the client's file.

- c. The occupant(s) of pre-1979 units must not be in the immediate vicinity of the work area and cannot reoccupy the work area until it has been thoroughly cleaned in accordance with the CSD Lead-Safe Weatherization Policies.

13) Weatherization Training Requirements

- a. Contractor shall use training funds for costs associated with the completion of Weatherization related training such as internal Contractor training, safety training, workshops sponsored by utility companies, DOE, CSD, and/or other organizations offering a component of weatherization training. Training may include: Lead-Safe Weatherization Training, Environmental Hazardous Training, Basic Weatherization Training, Blower Door Diagnostic Training, and Combustion Appliance Safety Training. Associated costs include the actual costs related to: travel, admission, materials, and salaries/wages. On-the-job training is not reimbursable when the labor hours associated with the training are charged to a weatherization measure for reimbursement.
- b. Weatherization Training Requirements: All weatherization employees of Contractor and subcontractors shall be trained in lead-safe and basic weatherization practices.
  - 1) Within 30 days of employment, weatherization employees of Contractor and subcontractors who provide basic

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weatherization services shall receive Lead-Safe Weatherization, and Environmental Hazardous Training. in accordance with CSD Lead-Safe Weatherization Policies. An Assessor, Worker, Supervisor, or Inspector will not be allowed to enter, assess, weatherize or inspect a pre-1979 dwelling unit until required training has been completed.

- 2) Within 180 days of employment, weatherization employees of Contractor and subcontractors who provide basic weatherization services shall receive Basic Weatherization Training by completion of any one of the following: (a) Pacific Gas & Electric (PG&E) Energy Training Center at Stockton Basic Weatherization curriculum, Southern California Gas Training Center, or a CSD-approved comparable training facility; (b) DOE; or (c) CSD-approved Contractor's equivalent internal training curriculum which teaches basic weatherization concepts and conformance with CSD's weatherization policies, procedures, and installation standards.
- 3) Weatherization employees of Contractor and subcontractors who perform combustion appliance safety checks shall be properly trained in accordance with one of the following: (a) the Blower Door and Combustion Appliance Safety Training curriculum at the PG&E Energy Training Center at Stockton, or at a CSD-approved comparable training facility, or (b) successful completion of field training provided by CSD's contract field technicians. No employee of Contractor and subcontractor shall perform combustion appliance safety checks without having completed the required training.
- 4) For weatherization services performed on HUD units, all work crews of Contractor and subcontractor who perform basic weatherization services are required to be trained in HUD-approved Lead-Safe Weatherization, although certification is not required. Although a crew supervisor can be certified as a HUD Lead Supervisor, it is not a substitute for the requirement of trained work crews. Training costs for HUD certification programs are not an allowable weatherization program expense; however, costs associated with training utilizing HUD's one-day Renovation and Remodeling Course are allowable expenditures.

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- 5) Contractor and subcontractors who perform basic weatherization services are required to maintain a training record for current employees. The training record shall document for each employee all training received, and shall include for each training session/course, the source/location, type/content, and completion date.
  - 6) Every assessor, inspector and work crew of the Contractor and subcontractor who performs basic weatherization services are required to maintain and have available for reference the current CSD Conventional Home WIS and CSD Mobile Home WIS Manuals and CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual when providing any weatherization services.
- 14) Weatherization Non-Compliance
- a. In accordance with the CSD Inspection Policies and Procedures, Contractors shall be subject to the withholding of reimbursement for failure to completely resolve a Hazardous Condition within five working days or within the modified completion date for units receiving a time period extension. The reimbursement sanction will immediately apply to the next fiscal reimbursement request associated with the primary funding source (program) of the weatherized unit in question. The reimbursement sanction will remain in effect until the Contractor successfully resolves the Hazardous Condition and confirms the resolution with CSD and the designated Inspection Contractor. The sanction will apply to all subsequent fiscal reimbursement requests of the primary funding source in question.
  - b. If it is determined that the Contractor has failed to resolve an identified Hazardous Condition in accordance with the Hazardous Correction Work Plan, CSD may utilize the services of the designated Inspection Contractor to successfully resolve the delinquent Hazardous Condition. Contractor will assume responsibility for costs associated with the use of Inspection Contractor's services. The costs will include labor, materials, and travel equal to the Inspection Contractor's training and technical assistance hourly rate and the total amount will be withheld from the Contractor's next request for fiscal reimbursement.
  - c. If it is determined that the Contractor has incorrectly billed CSD because a measure was not installed or the quantity installed is less

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than the quantity billed, the Contractor shall install the billed measure or quantity, if feasible. In cases when a physical remedy is not possible, repayment of the labor and material costs for the uninstalled measure or quantity will be withheld from subsequent reimbursements.

- d. In accordance with the CSD Inspection Policies and Procedures, Contractors will be subject to Special Conditions if it is determined that one or more of the following conditions exist:
  - i. Contractor has a history of unsatisfactory performance.
  - ii. Identification of one or more Hazardous Conditions in dwellings weatherized by Contractor.
  - iii. Failure to remedy an identified Hazardous Condition in a timely manner (elimination of immediate hazard within 24 hours and complete resolution correction within five working days of written notification).
  - iv. Substantial number of Non-Hazardous Conditions and/or identified trends or patterns of non-conformance to installation criteria.
- e. CSD will implement Imposed Special Conditions on a progressive basis which may include:
  - i. Additional training and technical assistance;
  - ii. Additional reporting requirements; and.
  - iii. Formal high-risk designation, and possible suspension and termination.
- f. Based on the severity and frequency of the identified circumstances, CSD may impose any one or more Special Conditions. Should Special Conditions be warranted, CSD shall send the Contractor a written Notice of Special Conditions, which will contain the following information:
  - i. The nature of the Special Condition(s) and/or Sanction(s) being imposed;
  - ii. The reason(s) for imposing Special Condition(s) and/or Sanction(s);

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- iii. The corrective actions that must be taken and the time allowed for completing them before the Special Condition(s) and/or Sanction(s) are removed by CSD.

15) Appeal Process

- a. When Special Conditions are imposed, the Contractor may submit documentation in opposition and request reconsideration by filing a written statement within five (5) working days after receipt of the Notice of Special Conditions. The written statement must set forth the issue in dispute, state why the Special Conditions should not be imposed, and provide supporting documentation. The written statement must be mailed, faxed or hand delivered to:

Department of Community Services and Development  
 Attention: Energy and Environmental Services Division  
 700 North Tenth Street, Room 258  
 Sacramento, CA 95814-0338

- b. CSD shall consider and review the documentation presented by the Contractor as well as any showing that the contractor has adequately corrected the issue(s) leading to imposition of Special Conditions. The Director of the Department of Community Services and Development shall make the final decision regarding the appeal.
- c. The Contractor shall be notified in writing of CSD's decision regarding the appeal within ten (10) working days from receipt of the written appeal from the Contractor.
- d. If, after considering the material presented, CSD concludes that the Contractor failed to show cause why the Special Conditions should not be imposed, the Contractor shall be notified in writing of the decision regarding the denial of their appeal and CSD shall impose the Special Conditions as outlined in the Notice of Special Conditions.

16) Client Education

Contractor shall provide all recipients of energy assistance under this Agreement applicable energy conservation information that shall include at least the following:

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- a. Client Education Policy for occupants of pre-1979 units to be weatherized must receive the pamphlet "Protect Your Family From Lead In Your Home". A copy of the Lead-Safe Education Confirmation of Receipt (CSD 321) must be completed and retained in the client file.
  - i. Contractor shall comply with the EPA rules in 40 CFR Part 745, Lead; Requirements for Hazard Education Before Renovation of Target Housing; Final Rule.
  - ii. No more than 60 days before beginning weatherization activities in any residential dwelling unit that may have lead-based paint, Contractor shall provide the client (current occupant of the dwelling) with a copy of the pamphlet entitled, "Protect Your Family From Lead in Your Home."
  - iii. Upon delivery of the pamphlet, Contractor must obtain from the client a written acknowledgment that the client has received the pamphlet. Contractor shall use the DOE Lead-Safe Education Confirmation of Receipt, CSD 321. If the client is unavailable for delivery of the pamphlet or for signing the acknowledgement of receipt, Contractor shall document this on the form. Contractor may mail a copy of the pamphlet to the client at least seven (7) days prior to commencing weatherization service. Contractor must document this mailing with a certificate of mailing from the post office.
  - iv. Prior to weatherization and/or renovation activities in a common area of a multi-family building, Contractor shall notify residents of the upcoming weatherization/renovation activities and make the pamphlet, or copy of the pamphlet, available upon request at no charge to tenants. Contractor shall provide this notification no more than 60 days prior to the beginning of weatherization/renovation activities. Contractor shall document these activities on the Notice of Weatherization/Renovation, CSD 320, and the Record of Tenant Notification Procedures, CSD 322.
  - v. Contractor shall keep all records necessary to demonstrate compliance with the EPA rules in 40 CFR Part 745, Lead; Requirements for Hazard Education Before Renovation of Target Housing; Final Rule, for a period of three (3) years following completion of the renovation activities in target

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housing. The records must be made available to CSD and/or EPA upon request. The types of records that Contractor must retain under these circumstances are signed and dated acknowledgments of the pamphlet receipt and certificates of mailing.

- b. A description of the benefits that the client can expect to receive as a result of the weatherization measures installed in the dwelling.
- c. An explanation of the action of each measure in terms of preventing air infiltration or the escape of heated or cooled air from the dwelling and how to maximize the effect of such measures.
- d. Information to the client regarding the importance of applying for energy assistance prior to being in an arrearage situation and to include, but not be limited to, information concerning various utility company budget payment plan(s).
- e. Written information that describes energy-saving behavioral adjustments that will decrease the energy consumption of the household.
- f. Resource information and referral and family and budget counseling in order to assist clients in achieving self-sufficiency.
- g. Education/Counseling – Weatherization

- i. Unweatherized Dwellings

Contractor may claim reimbursement for client education in accordance with Exhibit B, Section 3.C. for the occupants of each eligible unit not previously weatherized. Additionally, Contractor will be allowed to claim reimbursement for client education when a safety check of combustion appliances reveals safety hazards that preclude tightening the envelope.

- ii. Dwellings Weatherized with Nonfederal Funds

Contractor shall not claim reimbursement for client education unless the dwelling was previously weatherized by nonfederal funds, i.e., regulated or nonregulated utility companies, private sector funds, etc., or by a weatherization service provider not associated with the provisions of this



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Agreement. If such circumstances exist, Contractor shall conduct client education in accordance with this Section and may claim reimbursement in accordance with Exhibit B, Section 3.C. for the occupants of each eligible unit previously weatherized.

- iii. Dwellings Weatherized with LIHEAP and DOE WAP Funds

Contractor may claim reimbursement for client education only once when LIHEAP and DOE WAP funds are used concurrently in the same unit.

- iv. Contractor shall document group client education activities and shall report them on an annual basis on the DOE Annual Training and Technical Assistance Report, CSD 524.
- v. Contractor shall place in the client's file a source document that substantiates that the client was provided with energy conservation education.

9. Special Provisions – Leveraged Funds

Contractor shall ensure that any leveraged-funded activity performed in conjunction with the DOE Weatherization program is in conformance with the current CSD Conventional Home WIS, the CSD Mobile Home WIS, and the CSD Low-income Weatherization Assistance Program Policies and Procedures. If permitted by the leveraged-funding source, Contractor shall document within the weatherization client file the activity performed, date of the activity performed, and the source of the leveraged funds. If the leveraged-funding source prohibits the disclosure of such information, Contractor shall at a minimum make reference to the leveraged activity within the DOE Weatherization client file. CSD ensures that this information will be utilized for the sole purpose of verifying the delivery of services. CSD also reserves the right to use a third-party inspector to review and verify that the leveraged funded activities conform to applicable standards and practices. Contractor shall ensure that duplicate billings (compensation) for the same product or service do not occur.

10. Additional Exhibits

The following exhibits are attached to this Agreement and are hereby incorporated by this reference:

Exhibit G Materials Standards That Are Not Included in the CSD Weatherization Installation Standards

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Exhibit H Weatherization Priority Plan Narrative

Exhibit I Definitions

Exhibit J Certification Regarding Lobbying/Disclosure of Lobbying Activities,  
Standard Form LLL

**State of California  
Department Of Energy  
Weatherization Assistance Program (DOE WAP)  
Disaster Relief Plan**

The purpose of California's Department of Energy Weatherization Assistance Program (DOE WAP) Disaster Relief Plan is to provide emergency services to low-income individuals and families affected by a disaster as determined by a Presidential or Gubernatorial order declaring either a Federal or State Emergency. The plan will be in effect for a minimum of six months but could be extended dependent upon the anticipated recovery period.

Disaster relief services are only available to eligible low-income households directly affected by the declared disaster. Contractors may re-prioritize service requests from these households so that timely weatherization and re-weatherization services can be provided. Dwellings may only be provided repairs or weatherization services that are not and will not be paid for or reimbursed by any other source.

For eligible households, the unit allowance will be increased to the maximum reimbursement for a state of emergency as permitted in the DOE WAP Contract. The maximum is calculated at approximately 15% higher than the most current average per weatherized dwelling unit as established by DOE. The maximum limit for minor envelope repairs will be equivalent to the maximum reimbursement per unit dwelling.

Relief services shall include but are not necessarily limited to the following activities in order of priority:

1. All health and safety measures that are within the scope of the weatherization program are given first priority. Health and safety measures can also be expanded to address specific needs of the clientele such as site clean-up and temporary heating sources.
2. Secondary priority will be given to a specific list of weatherization measures that will be established as the most beneficial for the type of disaster. The need for these measures must be due to a direct result of the disaster; otherwise, the order of their installation reverts back to normal weatherization policies and procedures. For each emergency, CSD will seek approval from DOE regarding the priority of these measures and the abandonment of applicable NEAT energy audit requirements.
3. All remaining measures are to be installed in order of priority in accordance with the CSD Low-Income Weatherization Assistance Program Policies and Procedures.
4. Technical assistance may be provided to residents, builders, contractors, and others who are involved in the recovery efforts to aid in achieving the energy efficiency goals of the program.

Prior to initiating disaster relief services, contractors will be required to submit a written plan to CSD outlining the services to be provided and to report activities, expenditures, and demographics as required by the weatherization program.

\\Magnum\shared\Contracts\Department of Energy\2005 DOE\10 2005 DOE Exhibit F Att. I - California Disaster Relief Plan.doc

**EXHIBIT G**  
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**MATERIALS STANDARDS THAT ARE NOT INCLUDED IN THE CSD**  
**WEATHERIZATION INSTALLATION STANDARDS**

Also, please refer to revised Appendix A – Department of Energy 10 CFR Part 440 Standards for Weatherization Materials, updated February 1, 2002.

**REPLACEMENT FURNACES AND BOILERS**

|  |  |
|--|--|
| Chimneys, fireplaces, vents, and solid fuel-burning appliances | NFPA <sup>1</sup> 211-2000 (same as ANSI <sup>2</sup> A52.1)   |
| Gas-fired furnaces   | ANSI <sup>2</sup> Z21.47-1998, and ANSI <sup>2</sup> Z223.1-1999 (same as NFPA <sup>1</sup> 54-1999) |
| Oil-fired furnaces   | UL <sup>3</sup> 727, Eighth Edition, 1994 and NFPA <sup>1</sup> 31-2001                              |
| Liquid petroleum gas storage                                   | NFPA <sup>1</sup> 58-2001  |

**HEATING REPAIRS**

|   |  |
|---|--|
| Replace Combustion Chamber in Oil-Fired Furnaces or Boilers | Conformance to NFPA <sup>1</sup> 31-2001 |
|---|--|

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<sup>1</sup> National Fire Protection Association

<sup>2</sup> American National Standards Institute

<sup>3</sup> Underwriters Laboratory

**EXHIBIT H**  
**(Standard Agreement)**

**WEATHERIZATION PRIORITY PLAN NARRATIVE**

Priority Plans should be structured to be consistent with your goals identified in Exhibit B, Attachment I, CSD 570, DOE Weatherization Program Budget, Section E. Please describe how you will select dwellings to be weatherized, and describe the outreach methods to be utilized to assure that eligible households are made aware of the services through the DOE WAP program or any similar energy-related assistance program.

Consider items such as health and safety issues and units within close proximity. Refer to Exhibit F, Sections 8. Special Provisions, of this Agreement, which outlines the service priorities, outreach activities, and previously weatherized dwellings for DOE WAP.

**EXHIBIT I**  
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**DEFINITIONS**

**GENERAL DEFINITIONS**

Authorized Agent - The duly authorized representative of the Board of Directors of Contractor and the duly elected or appointed, qualified, and acting officer of the State. In the case of Contractor, the State shall be in receipt of a resolution from the Board of Directors affirming an agent's representative capacity to bind Contractor to the terms of this Agreement.

Contractor - The entity (partnership, corporation, association, agency, or individual) designated on the face sheet of this Agreement.

CSD - The Department of Community Services and Development, State of California.

DOE - The United States (U.S.) Department of Energy that provides funds for the Weatherization Assistance Program for Low-Income Persons. This program is authorized by Title IV of the Energy Conservation and Production Act (P.L. 94-385). The federal regulations for this program are in 10 CFR Part 440. The intent of this program is to increase the energy efficiency of low-income dwellings, reduce the occupant's total residential energy expenditures, and improve their health and safety.

Parties - The State of California and the Contractor.

The State - The State of California, Department of Community Services and Development.

Subcontractor - An individual or business entity contracting to perform all or a portion of services covered under this agreement.

Subcontracts - Contracts entered into by and between Contractor and Subcontractor to carry out the purpose of this Agreement.

This Agreement - The complete contents of this contract entered into by and between the State and Contractor, including all rights, duties, and obligations whether expressed or implied required toward the legal performance of the terms hereof.

This Program - Weatherization services provided under 42 U.S.C. 6861, et seq., as amended.

Vendor: An individual, sole proprietorship, firm, partnership, corporation, or any other business venture from which materials and goods are supplied and purchased.

**DWELLING DEFINITIONS**

Dwelling Unit - A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

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Mobile Home - A manufactured home that is a permanent, full-time residential dwelling and that is not used for commercial purposes.

Multi-Unit Dwelling (MUD) - A dwelling structure designed to house more than one family, each in a separate unit. Also known as multi-family dwelling. A small multi-unit dwelling contains less than five units, also known as a duplex (two units), a triplex (three units), or a quadraplex (four units). A large multi-unit dwelling contains five or more units, also known as an apartment complex, each unit being an apartment. For purposes of travel reimbursement to contractors, Multi-Unit Dwellings are defined multi-unit dwellings, e.g. apartments, with five or more attached residential units.

Reweatherize - To provide previously unapplied weatherization to a dwelling that was weatherized under a federal program between September 30, 1985, and September 30, 1993. This activity is to be reported on the DOE Bimonthly Activity Report, CSD 571A, as a reweatherized unit. Each unit to be reweatherized must have an energy audit performed. Only those energy conservation measures at or above a savings-to-investment ratio (SIR) of 1 are allowable.

Temporary Shelter - Any facility with the primary purpose of providing temporary or transitional shelter for homeless in general or for specific populations of homeless persons.

Separate Living Quarters - Living quarters in which the occupant(s) do not live and eat with any other person(s) in the structure and which have either: (1) direct access from the outside of the building or through a common hall; or (2) complete kitchen facilities for the exclusive use of the occupants. The occupant(s) may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Single-Family Dwelling - A dwelling structure containing no more than one dwelling unit. For the purposes of travel reimbursement, a single family dwelling is defined as a one-unit, single-family dwelling or as a one-unit, single residential housing dwelling with two to four attached units.

Site-built Dwelling - A conventional dwelling unit built on location, differentiated from manufactured (mobile) homes (also known as stick-built).

**APPLICANT DEFINITIONS**

American Indian (also known as Native American) - Any individual who is a member or a descendant of a North American tribe, band, or other organized group of native people who are indigenous to the continental United States or who otherwise have a special relationship with the United States through treaty, agreement, or some other form of recognition, residing within the State. This includes any individual who claims to be an Indian and who is regarded as such by the Indian community of which he or she claims to be a part. This definition also includes Indians of Alaska.

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Children - Members of a household who have not attained their nineteenth birthday.

Elderly - An individual 60 years of age or older.

Family Unit - All persons living together in a dwelling unit.

High Residential Energy User - A low-income household whose residential energy expenditures exceed the median level of residential expenditures for all low-income households in the State.

Household with a High Energy Burden - A low-income household whose residential energy burden (residential expenditures divided by the annual income of that household) exceeds the median level of energy burden for all low-income households in the State.

Migrant Farmworker - A seasonal farmworker who performs or has performed farm work during the eligibility determination period (any consecutive 12 -month period within the 24 -month period preceding application for program benefits and/or services) who requires travel such that the worker is unable to return to his/her domicile (permanent place of residence) within the same day.

Person with Disabilities (also known as disabled person) - Any individual who is: (1) a handicapped individual as defined in Section 7(6) of the Rehabilitation Act of 1973; (2) under a disability as defined in Section 1614(a)(3)(A) or 223(d)(1) of the Social Security Act or in Section 102(7) of the Developmental Disabilities Services and Facilities Construction Act; or (3) receiving benefits under Chapter 11 or 15 of Title 38 U.S.C.

Seasonal Farmworker - A person who during the eligibility determination period (any 12 -month period within the 24- month period preceding application for program benefits and/or services) was employed at least 25 days in farm work or earned at least \$400 in farm work and who has been primarily employed in farm work on a seasonal basis, without a constant, year-round salary.

Vulnerable Populations: Young children (ages 5 years or under), disabled, and elderly persons (ages 60 or older).

**PROGRAM DEFINITIONS**

California Certified Inspector/Risk Assessor Contractor: An individual who is certified by the State of California Department of Health Services as a lead-related construction Inspector/Risk Assessor.

Certified Lead-Free: Residential property in which it has been determined by a California Certified Inspector/Risk Assessor Contractor to be absent from the presence of lead-based paint.

Certified Lead-Safe: Residential property in which lead painted surfaces are intact and/or has been treated with measures to stabilize and eliminate lead paint hazards, and as such, poses no



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immediate threat to the occupants as determined by a California Certified Inspector/Risk Assessor Contractor.

Climate Zone - One of five climatically distinct areas, defined by long-term weather conditions affecting the heating and cooling loads in buildings. The Energy End Use and Integrated Statistics Division (EEUSD) developed the zones from seven distinct climate categories originally identified by the American Institute of Architects (AIA) for the U.S. Department of Energy and the U.S. Department of Housing and Urban Development. The zones were determined according to the 30-year average (1961-1990) of the annual heating and cooling degree-days (base 65 degrees Fahrenheit). The zones are defined as follows:

- Climate Zone 1  
Less than 2,000 cooling degree days (CDD) and more than 7,000 heating degree days (HDD)
- Climate Zone 2  
Less than 2,000 CDD and 5,500 to 7,000 HDD
- Climate Zone 3  
Less than 2,000 CDD and 4,000 to 5,499 HDD
- Climate Zone 4  
Less than 2,000 CDD and less than 4,000 HDD
- Climate Zone 5  
2,000 or more CDD and less than 4,000 HDD

Di Minimis Levels: The amount of lead paint disturbed in a dwelling is comprised of two (2) square feet per room of interior surfaces, or twenty (20) square feet of exterior surface, or ten (10) percent of a small component (example: window sill, baseboards, and trim). When calculating the di minimis level, the entire surface of the component must be included in the computation. For example, when replacing a 2 x 3 foot window, the di minimis level would be six (6) square feet and would exceed the maximum allowance for interior surfaces and the unit would be subject to HUD Regulation.

Dwelling Assessment: The process of performing an on-site review of the dwelling unit of an eligible applicant in order to determine the labor and materials necessary to install energy conservation measures.

Electric BaseLoad Measure - The measures that address the energy efficiency and energy usage of lighting and appliances. Allowable electric base load measures are compact fluorescent bulbs, replacement refrigerators, ~~and~~ electric water heaters, evaporative cooler installations, and window/wall air conditioner replacement as per the Policies and Procedures or cost justified by the energy audit.

Energy Audit - An energy audit is an analysis tool intended to be used by the weatherization agencies for the purpose of determining a list of cost-effective measures for a specific dwelling. There are many types of energy audits available; however, the NEAT/MHEA are used for the purposes of this Agreement.

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Energy Conservation Measures (also known as weatherization measures) - A wide variety of measures installed in or applied to the dwelling to increase the energy efficiency or to reduce the total energy expenditures of the dwelling. Allowable measures and materials are defined in the Department of Energy Weatherization Assistance Program regulations, 10 CFR Part 440. These measures are further defined in the two manuals titled CSD Weatherization Installation Standards and the CSD Mobile Home Weatherization Installation Standards.

Evaporative Cooler Repairs - Repair or replacement of filter pads, water pumps, belts, motors, or other components that will promote efficient operation of the unit.

Expatriate Corporations (Public Contract Code, section 10286.1): An "expatriate corporation" means a foreign incorporated entity that is publicly traded in the United States to which all of the following apply:

- a. The United States is the principal market for the public trading of the foreign incorporated entity.
- b. The foreign incorporated entity has no substantial business activities in the place of incorporation.
- c. Either clause i. or clause ii. applies:
  - i. The foreign entity was established in connection with a transaction or series of related transactions pursuant to which (I) the foreign entity directly or indirectly acquired substantially all of the properties held by a domestic corporation or all of the properties constituting a trade or business of a domestic partnership or related foreign partnership, and (II) immediately after the acquisition, more than 50 percent of the publicly traded stock, by vote or value, of the foreign entity is held by former shareholders of the domestic corporation or by former partners of the domestic partnership or related foreign partnership. For purposes of subclause (II), any stock sold in a public offering related to the transaction or a series of transactions is disregarded.
  - ii. The foreign entity was established in connection with a transaction or series of related transactions pursuant to which (I) the foreign entity directly or indirectly acquired substantially all of the properties held by a domestic corporation or all of the properties constituting a trade or business of a domestic partnership or related foreign partnership, and (II) the acquiring foreign entity is more than 50 percent owned, by vote or value, by domestic shareholders or partners.
    - (iii) For purposes of this subparagraph, indirect acquisition of property includes the acquisition of a stock share, or any portion thereof, of the owner of that property.

Filter Replacement - May be a one- or a two-step measure. The one-step measure is to replace forced-air unit filters with a washable filter, or three disposable filters (install one, leave two with

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the client). Filter replacement is classified as heating/air conditioning appliance repair and maintenance.

General Heat Waste Measures - Those DOE-approved measures installed to reduce general heat or cooling waste in the dwelling. The following list of general heat waste measures may be installed in all types of dwellings if feasible, including multi-unit dwellings and manufactured homes:

- Evaporative cooler covers and air conditioner vent covers
- Water heater blankets
- Insulation of up to the first five feet of water pipes
- Hot Water flow restrictors.

Hazardous Condition: Defined as any condition posing an immediate health and safety threat to the client and/or persons working in the dwelling unit. They include, but are not limited to: Combustion Appliance Safety (CAS) hazards, appliance-related hazards, and electrical hazards as defined in the CSD Inspection Policies and Procedures.

Heating/Air Conditioning Appliance Repairs/Replacements: The complete unit replacement (as described in Exhibit B, Attachment I), cleaning of fuel nozzles and jets, adjustments of gas pressure and/or air/fuel mixture, replacement of thermocouples, adjustment of refrigerant charge, or other component repairs or replacements necessary for safe and efficient operation, must be accomplished by a person licensed to perform such work. Special licensing may be required for the installation and/or repair of Evaporative Cooler, Air Conditioning, Gas and Electric Water Heaters, and HVAC systems if two or more weatherization measures are not installed in a single unit. Electrical wiring upgrade/replacement and knob and tube wiring certification will always require a C-10 license. If required by local jurisdiction, a building permit must be obtained and finalized for vented appliance installations.

HUD Unit: A housing unit participating in a U.S. Department of Housing and Urban Development (HUD) Assisted Housing Program.

Infiltration Reduction (also known as air sealing) - A subcategory of minor envelope repairs installed in or applied to dwellings to reduce or stop the uncontrolled flow of conditioned air out of the dwelling or the uncontrolled flow of outside air into conditioned areas in the dwelling done to the point of minimum ventilation requirement or it is no longer cost effective to proceed, and includes duct sealing. Infiltration reduction is best done with blower door technology.

Intake - Includes, but is not limited to, the process of completing an intake form and reviewing applicant documentation in order to verify eligibility. Intake is reimbursable as a program support activity.

Minor Envelope Repairs - Those repairs necessary for the effective performance or preservation of weatherization materials or to stop infiltration and general heat waste. Contractor shall maintain labor hours cost, materials cost, and required building permits in client's file. Minor

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envelope repairs are limited to a maximum of \$887 in costs per dwelling. Minor envelope repairs include the following:

- a. Blower-door-identified infiltration repairs;
- b. Combustion air venting;
- c. Cover plate replacements;
- d. Entrance door modification, repair, adjustments, and/or replacement and attendant hardware (except deadbolts) into conditioned areas including frames, thresholds, and doorstops. (If the original door had a deadbolt and it can be removed and placed on the new door, then labor costs for this activity can be charged.) The installation of deadbolts in conjunction with an exterior door replacement is allowable on rental units only, however, it is not an allowable reimbursement when entrance doors are modified or repaired. Reimbursement will be based on the material costs for the door, the deadbolt, if applicable, and the labor.
- e. Exhaust fan repair or replacement;
- f. Floor repair for mobile home water heater;
- g. Knob-and-tube wiring “Notice of Survey by Electrical Contractor” and installation of simple overcurrent protection per the CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual;
- h. Minor roof repairs, and materials used to protect the materials installed from the weather;
- i. Mobile home skirting repairs to prevent animal infiltration;
- j. Patching holes in the building envelope that are too big to caulk (includes replacing attic/crawl space access covers); and
- k. Range hood damper and fireplace chimney damper repair or installation.
- l. Exclusions:
  1. Air conditioner and/or furnace cleaning and filter replacement;
  2. Kitchen cabinet repairs and retrofits that are not associated with the replacement of a range, or cook top;
  3. Sliding glass door repair and replacement;
  4. Window and glass repair and replacement; and

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5. Any other measure that has a chargeable line item.

Materials - Materials are those allowable items that are installed in or on the dwelling to promote energy conservation. All materials shall be in conformance with the CSD Conventional Home Weatherization Installation Standards and CSD Mobile Home Weatherization Installation Standards. Materials are budgeted and reported under Standard Program Operations.

Manufactured Home Energy Audit (MHEA) - Like NEAT, the MHEA was prepared for the DOE Weatherization Assistance Program by The Center for Buildings and Thermal Systems of DOE's National Renewable Energy Laboratory in Golden, Colorado. MHEA is an advanced computer audit that predicts manufactured home energy consumption and recommends weatherization retrofit measures tailored to the individual dwelling.

National Energy Audit Tool (NEAT) - An advanced computer audit software developed at Oak Ridge National Laboratory for DOE's Weatherization Assistance Program. Used to determine the most cost-effective retrofit measures for single-family dwellings to increase the comfort of occupants and reduce monthly utility costs. After the user inputs data on the dwelling characteristics, including the types of heating and cooling systems, NEAT produces a prioritized list of cost-effective measures customized for each dwelling. The output also includes an estimated dollar value for the projected energy savings, savings-to-investment ratios, and a list of the quantities of materials necessary to perform the recommended retrofit.

Outreach - The activity of providing information about the weatherization program to eligible households to ensure that those who want to apply have the opportunity to do so.

Priority List - The list of energy conservation measures determined to be cost effective by the CSD NEAT Pilot in Program Year 1998-99. These measures may be installed in the specified type of dwelling in the specified climate zone without performing an energy audit.

The following energy conservation measures shall be installed where feasible in site-built single-family dwellings, and small multi-family dwellings (less than five units):

Climate Zone 4 (less than 2,000 CDD and less than 4,000 HDD)

1. Programmable thermostats
2. Attic insulation
3. Floor insulation.

Climate Zone 5 (2,000 CDD or more and less than 4,000 HDD)

1. Programmable thermostats
2. Attic insulation
3. Evaporative cooler

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4. Storm windows for slab-on-grade site-built single family dwellings and small multi-family dwellings only.

Renovation - The modification of any existing structure, or portion thereof, that results in the disturbance of painted surfaces, unless that activity is performed as part of an abatement. The term renovation includes, but is not limited to: the removal or modification of painted surfaces or painted components, e.g., modification of painted doors, surface preparation activity, such as sanding, scraping, or other such activities that may generate paint dust; the removal of large structures, e.g., walls, ceiling, large surface replastering, major replumbing; and window replacement. (40 CFR 745 Subpart E, 745.83)

Program Operations - Includes all expenses necessary to operate a weatherization program except those costs classified as administration or other program support costs. Program support costs must be easily identified as directly benefiting the weatherization work. Indirect costs are considered administrative costs. Measures include such items not reported in the Outreach, Intake, and Client Education categories, such as: payments for purchase and delivery of materials, transportation of materials, crews, tools, and equipment to and from storage and weatherization sites; operating costs, to include maintenance and insurance of vehicles used to transport weatherization materials; storage or warehousing of materials; payment of staff involved in purchasing, inventory, and distribution of materials; and payment for labor involved in fabricating materials. Previously separated capital-intensive measures are now included in Program Operations – Measures. Do not include Health and Safety measures in this section.

Training and Technical Assistance (T&TA) - Training funded by T&TA allocation must have direct application and benefit to Contractor's weatherization program and its assigned staff. T&TA activities are intended to maintain or increase the efficiency, quality, and effectiveness of the weatherization program on all levels. Such activities should be designed to maximize energy savings, minimize production costs, improve program management and crew/subcontractor quality of work, and reduce the potential for waste, fraud, and mismanagement. Salaries shall not be paid with T&TA funds. T&TA activities, including group client education, shall be reported on the DOE Semiannual Training and Technical Assistance Report, CSD 524.

Weatherization Training and Its Related Costs: Weatherization-related training activities are designed to ensure that weatherization crewmembers of the Contractor and Subcontractor are adequately trained in the safe and proper installation of weatherization measures. In particular, employees must be trained in lead-safe weatherization practices and combustion appliance safety (CAS) testing procedures. Costs associated with lead-safe weatherization, basic weatherization, blower door diagnostic, health and safety, CSD weatherization policies and procedures, CAS trainings may include salary/wages, materials, fees, and travel. Excludes incurred costs associated with participation and attendance to policy advisory committees and workgroups.

Wood-Fueled Stoves and Fireplace Inserts: Wood-fueled stoves and fireplace inserts installed under this program must meet the listing and labeling requirements of the CSD WIS. The recipient and landlord (if applicable) must agree that the stove will remain in the residence where installed. Installation must conform to local fire and building department regulations (Department of Housing

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and Community Development for Manufactured Homes), must be installed by a person licensed to perform such work, or Contractor must have on file written approval of such installation by a fire department or building inspection official. A building permit is required. A wood-fueled space heater shall not be installed in a dwelling for which natural gas service is available or to replace an existing, safely operating wood-fueled space heater.



**EXHIBIT J**  
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**CERTIFICATION REGARDING LOBBYING**

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FAMILY SUPPORT ADMINISTRATION

PROGRAM: **2005 Department of Energy Weatherization  
Assistance Program (DOE WAP)**

PERIOD: **April 1, 2005 through January 31, 2006**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Agency / Organization

\_\_\_\_\_  
Date



## DISCLOSURE OF LOBBYING ACTIVITIES

|  |  |   |   |   |  |
|--|--|---|---|---|--|
| <b>1. Type of Federal Action:</b><br><input type="checkbox"/> a. contract<br><input type="checkbox"/> b. grant<br><input type="checkbox"/> c. cooperative agreement<br><input type="checkbox"/> d. loan<br><input type="checkbox"/> e. loan guarantee<br><input type="checkbox"/> f. loan insurance  |  | <b>2. Status of Federal Action:</b><br><input type="checkbox"/> a. bid/offer/application<br><input type="checkbox"/> b. initial award<br><input type="checkbox"/> c. post-award |   | <b>3. Report Type:</b><br><input type="checkbox"/> a. initial filing<br><input type="checkbox"/> b. material change<br><br>For Material Change Only:<br>year _____ quarter _____<br><br>date of Last report _____ |  |
| <b>4. Name and Address of Reporting Entity:</b><br><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee<br>Tier _____, if known:<br>Congressional District, if known: _____  |  |   | <b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b><br><br>Congressional District, if known: _____   |   |  |
| <b>6. Federal Department/Agency:</b><br><br><br>   |  |   | <b>7. Federal Program Name/Description:</b><br><br>CFDA Number, if applicable: _____  |   |  |
| <b>8. Federal Action Number, if known:</b><br><br>   |  |   | <b>9. Award Amount, if known:</b><br>\$ _____   |   |  |
| <b>10. a. Name address of Lobbying Entity (if individual, last name, first, name, MI):</b><br><br><br>(attach Continuation Sheet(s) SF-LLL-A, if necessary)  |  |   | <b>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):</b><br><br><br>  |   |  |
| <b>11. Amount of Payment (check all that apply):</b><br><br>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned  |  |   | <b>13. Type of Payment (check all that apply):</b><br><input type="checkbox"/> a. retainer<br><input type="checkbox"/> b. one-time fee<br><input type="checkbox"/> c. commission<br><input type="checkbox"/> d. contingent fee<br><input type="checkbox"/> e. deferred<br><input type="checkbox"/> f. other; specify: _____ |   |  |
| <b>12. Form of Payment (check all that apply):</b><br><input type="checkbox"/> a. cash<br><input type="checkbox"/> b. in-kind; specify:    nature _____<br>value _____   |  |   | <b>14. Brief Description of Services Performed or to be Performed and Date(s) of Services, including officer(s), employee(s), or Member(s), contacted, for Payment indicated in Item 11:</b><br><br>(attach Continuation Sheet(s) SF-LLL-A, if necessary)   |   |  |
| <b>15. Continuation Sheet(s) SF-LLL-A attached:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No   |  |   |   |   |  |
| <b>16. Information requested through this form is authorized by Title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1353. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty for not less than \$10,000 and not more than \$100,000 for each such failure.</b> |  |   | <b>Signature:</b> _____<br><br><b>Print Name:</b> _____<br><br><b>Title:</b> _____<br><b>Telephone No.:</b> _____ <b>Date:</b> _____  |   |  |
| <b>Federal Use Only:</b>   |  |   | <b>Authorized for Local Reproductions Standard Form – LLL</b>   |   |  |

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**DISCLOSURE OF LOBBYING ACTIVITIES**  
CONTINUATION SHEET

Approved by OMB  
0348-0046

Reporting Entity: Page \_\_\_\_\_ of

Authorized for Local Reproduction  
Standard Form - LLL-A

**INSTRUCTION FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES**

## EXHIBIT J (Standard Agreement)

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
  
(b) Enter the full name of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Included all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budgets. Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

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